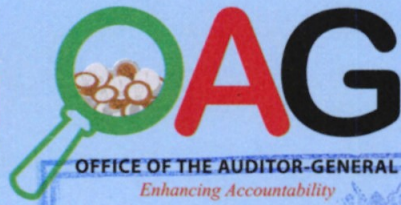


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL <i>Enhancing Accountability</i>	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 APR 2026	DAY: WED
TABLED BY:	HON. NAOMI WARD, MP DEPUTY MAJORITY PARTY WHIP
CLERK-AT THE-TABLE:	V. WAMBUL

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

BELGUT TECHNICAL TRAINING INSTITUTE

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

Revised 30th June 2025



BELGUT TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

Belgut Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
CPA(K)	Certified public accountant 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
TVET	Technical, vocational and Education Training
KISM	Kenya Institute of Supply Chain Management
CDF	Constituency Development Fund
NEMA	National Environment Management Authority.
CBET.	Competency Based Curriculum.
CDACC	Curriculum Development and Certification Council.

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with Belgut TTI's financial resources.

Comparative Year- Means the prior period.

2.Key Belgut TTI Information and Management

(a) Background information

Belgut TTI was incorporated/ established under the TVET Act No.29 of 2013 on 14TH April, 2019. It is domiciled in Kenya and has Litein and Sosiot Campuses. The institute is under the Ministry of Education. The Board of Governors oversight the institution's operational activities. The day to day operations are undertaken by a management team comprising the Principal, Deputy principal Administration, Deputy Principal academics, Registrar, Dean of Students, Finance officer, Procurement officer, Human Resource Officer and the Internal Auditor.

There are Eight Departments namely, Electrical and Electronics Engineering, Building and Civil Engineering, Business and Liberal Studies, Computing and Informatics, Agriculture and Applied sciences, Institutional Management, Fashion and Design and Automotive Engineering.

The departments are housed under Two institutional tuition blocks with Administrative Offices, Classrooms, ICT laboratory, Fashion and Design workshop, Stores in one block and Electrical and Electronics Engineering in the other.

It is located in a fenced five-acre land, in Belgut Constituency, Kericho County.

(b) Principal Activities

The principal activity is to offer technical and business training services.

The institutions vision is to be a leading TVET institution in the provision of diverse technologies that meet the needs and expectations of the industry.

The mission is to equip trainees with quality and relevant skills responsive to the industry

The institutions core values are Teamwork, Commitment, Accountability, Integrity and Creativity and Innovation

The strategic objectives are:

1. Develop relevant skills for the 'Big four initiatives and vision 2030.
2. Establish linkages through collaboration and partnerships with industry and training institutions for research and innovation
3. Build capacity of the college's human resource
4. Mobilize financial resources for the institution

Belgut Technical Training Institute
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(c) Key Management.

Belgut TTI'S day-to-day management is under the following key organs:

Board of Governors is the oversight top organ.

The Principal is the accounting officer and Secretary to the Board of Governors.

The Management team comprises the Principal, Deputy Principal Administration, Deputy Principal Academics, Registrar, Dean of students, Finance officer, Procurement officer, Human Resource Officer and the Internal Auditor.

(d) Fiduciary Management

The key management personnel who held office during the period ended **30th June 2025** and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Benard Korir
2.	Deputy principal Administration	Alice Rono
3.	Deputy principal Academics	Hillary Bett
4.	Registrar	Eric Chumba
5.	Dean of students	Rael Cheruiyot
6.	Head of Finance	Wesley K. Bii
7.	Procurement Officer	Mercy Kirui
8.	Human Resource Officer	Caren Maritim
9.	Internal Auditor	Caren Mutai

(e) Fiduciary Oversight Arrangements.

Fiduciary oversight is executed by the Board through the established Board Committees as follows:

- i. Audit and Risk Management Committee that receives audit reports from the internal auditor, deliberates on them, makes recommendations and presents a report for ratification and approval during Full Board meetings held on quarterly basis over the financial year.
- ii. Education, Training and Human Resource Management Committee – Training machines, Equipment, Tools and materials, Staff trainings, Academic programmes and courses, Recruitment of staff, Discipline, Motivations and Continuous development. Operational activities such as quality management systems.
- iii. Finance and Infrastructure Committee – Finance reports: Quarterly and annual financial statements, infrastructural development/facilities- new

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Buildings, renovations, maintenance and improvements, sourcing development partners and sponsors.

(f) Belgut TTI Headquarters

P.O. Box 205-20200, Kericho
Chepng'etuny Shopping Centre, off Kericho-Litein Road
Belgut Sub-County
Kericho County, KENYA

(g) Belgut TTI Contacts

Telephone: (254) 701566195
E-mail: belguttechnical@gmail.com
info@betti.ac.ke
Website: www.belguttechnical.ac.ke

(h) Belgut TTI Bankers

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

Kenya commercial Bank,
Kericho Branch
P.O Box 43-20200
Kericho
Account numbers;
1257399845
1290546444

(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

Belgut Technical Training Institute
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State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200




3. The Board of Governors

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 <i>Dr. Rotich John kimutai:</i> PhD- (Applied mathematics) MSc (Applied mathematics) B.Ed. Science(Math/phy) <i>Chairman</i>	<p>Has wide experiences in teaching at the University.</p> <p>He is currently the Chairman of the Board of Governors.</p> <p>DOB: 1st February, 1980.</p>
2.	 <i>Mr. John Ken Agutu:</i> MBA-Strategic management BSc-Business Administration- HRM <i>Independent member</i>	<p>Currently a private consultant in corporate finance and human resource services.</p> <p>He is the chair of Education, Training, and Human resources committee.</p> <p>DOB: 10th November, 1962.</p>

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
3.	 <i>Eng. Wesley Tonui;</i> MSc-Agriculture & Bio system Engineering. BSc-Agricultural Eng. <i>Member.</i>	<p>An engineer with the ministry of Public works with wide experience in building technology</p> <p>He is the chair of the Infrastructure Committee as well as the member of Audit and Risk Committee.</p>



Belgut Technical Training Institute

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		DOB: 21 st January, 1965.
4.	 <p><i>CPA. Linda Gatakaa;</i> MSc-Business Administration MSc-Degree in finance Certified public accountant <i>Member of icpak</i></p>	<p>Finance administrator manager Muthaura Mugambi Ayugi & Njonjo Advocates.</p> <p>She is the chair of Audit and Risk committee.</p> <p>DOB: 1ST January, 1980</p>
5.	 <p><i>Ms. Caroline Chepngetich</i> BSc-Law Post Graduate Diploma-Law Certified mediation, conflict transformation <i>Member</i></p>	<p>Bachelors of law with a post Graduate Diploma in Law Currently she is an associate at H. Kipkorir & Co. Advocates</p> <p>She is the member of Infrastructure as well as Finance and ICT committees.</p> <p>DOB: 4th September, 1991.</p>
6.	 <p><i>Dr. Milkah Obwenyi Angachi</i> PhD-Clinical Psychology MSc-Clinical Psychology BSc-Psychology Counselling</p>	<p>Currently working at University of Kabianga as a Lecturer of Clinical Medicine from December 2015 to date</p> <p>She is the member of Infrastructure, and Education,</p>

Belgut Technical Training Institute

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	Member	<p>Training and human resource committees.</p> <p>DOB: 25th May, 1971.</p>
7..	 <p><i>Mr. Benard Korir</i> MSc-Philosophy in Information Technology BSc-Information Technology HND Human Resource Management Diploma in Technical Education Diploma in Computer <i>Principal/BOG Secretary</i></p>	<p>Responsible for:</p> <p>Curriculum implementation, Financial Management, Procurement, Human Resource Management, Infrastructure Maintenance and development, Strategic Management, Establishment of Linkages and collaborations.</p> <p>He is the secretary of the board and all committees except Audit and Risk committee.</p> <p>He is the accounting officer of the institution.</p> <p>DOB: 21st December, 1974</p>
8..	 <p><i>Mr. Peter Cheruiyot:</i> MSc-Philosophy in Management and Planning HND-Human Resource Management BSc-Education Technology <i>Member</i></p>	<p>He is the representative of the Cabinet Secretary in charge of Ministry of Education State Department of TVET</p> <p>He is a member of the Education, training and Human Resource as well as Finance and ICT committees.</p> <p>DOB: 8th August, 1972.</p>

4.Key Management Team.




	<i>Member</i>	<i>Details</i>
1.	 <p><i>Mr. Benard Korir</i> MSc-Philosophy in Information Technology BSc-Information Technology HND Human Resource Management Diploma in Technical Education Diploma in Computer studies <i>Principal/BOG Secretary</i></p>	<p>Responsible for:</p> <p>Curriculum implementation, Financial Management, Procurement, Human Resource Management, Infrastructure Maintenance and development, Strategic Management, Establishment of Linkages and collaborations.</p> <p>He is the accounting officer of the institution</p> <p>DOB: 21st December,1974</p>
2.	 <p><i>Alice Ronoh</i></p>	<p>Assists the Principal in the day-to-day administrative activities.</p> <p>DOB: 17th May ,1965</p>

Belgut Technical Training Institute

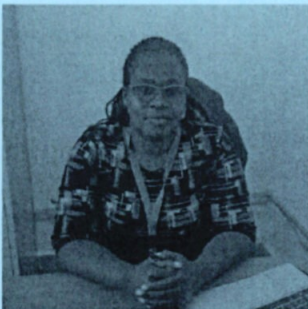
Annual Report and Financial Statements for the year ended 30th June 2025

	<p>Deputy principal – Administration <i>BSc. Clothing Textile and Interior Design</i></p>	
3.	 <p>Hillary Bett Deputy principal – Academics <i>Master of Engineering (Automotive)</i> <i>Bachelor of Education in Technology(Automotive)</i></p>	<p>Assists the Principal in the day-to-day academic activities.</p> <p>DOB: 3rd January, 1981</p>
4.	 <p>Eric Chumba Registrar <i>Bachelor of science in Information Technology</i> <i>Diploma in Technical Education.</i></p>	<p>Student admissions and registration Student Capitation Institutional Programmed and Courses</p> <p>DOB: 14th August, 1981</p>
5.	 <p>Rael Cheruiyot Dean of students <i>BSc. Applied and Fashion Technology</i></p>	<p>Welfare of Students Sports and Recreation Clubs and Societies</p> <p>DOB: 19th December 1987</p>

Belgut Technical Training Institute
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6.	 <p><i>CPA Bii K Wesley</i> Finance Officer CPA(K) Diploma in Technical Education(Accounting) Diploma in accountancy Member of icpak.</p>	<p>Financial management, accounting services and financial reporting Member in procurement committees Advise the principal on financial matters</p> <p>DOB: 21st September,1974.</p>
7.	 <p><i>Mercy Kirui</i> Procurement officer BSc. Procurement and Supply Chain Management Member of kism</p>	<p>Procurement of Goods, Works and services Supply and Stores management Standing secretary to procurement committees. Provides professional opinion on procurement matters.</p> <p>DOB: 1st November,1993</p>
	 <p>Caren Chelangat Mutai Internal Auditor Bachelor of commerce (finance option) CPA(K)</p>	<ul style="list-style-type: none"> -Audit internal controls and financials - Give findings and reports, -Follow up on recommendation. -Provide advice -Prepare and submit audit report to members -Secretary to audit committee <p>DOB: 17th January,1988.</p>

Belgut Technical Training Institute
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	 <p>Caren Maritim Human Resource Manager Bachelor Of Business Administration (Human Resource Management) Diploma In Human Resource Managemnt</p>	<ul style="list-style-type: none"> -Human Resource Management -Employee Relations -Policy development, review and implementation -Performance management -Payroll Administration and management -Recruitment process management <p>DOB: 16th June, 1989.</p>
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5. Chairman’s Statement

On behalf of the Board, I acknowledge that we are responsible for corporate governance. I am specifically responsible for the leadership of the Board, ensuring its effectiveness on all aspects of its role, including good governance in dealing on all matters concerning Belgut TTI. This includes ensuring that Board meetings are held in an open manner, that the Members and the stakeholders receive accurate, timely and clear information and allowing sufficient time for agenda items to be discussed

Key Activities in The Year 2024-2025

Some of the key activities in the year 2024-2025 are as follows:

a) Construction of workshop and classrooms

Belgut TTI mission is to equip trainees with quality and relevant skills responsive to the industry. The Belgut fraternity therefore developed a budget to aid at the construction of Engineering and Technology workshop phase 1. It kicks off in the financial year 2023-2024 and progress in the year under review upto first floor. Hope to finished in the next financial year.

b) Institute Bus.

The institution has been facing challenges in terms of logistics under dual training and the Board members discussed and resolved on allocating a development budget for purchasing the Institute vehicle. The vehicle was purchased under the Contract Agreement between the Government of Kenya and the Institution.

c) Hired more staff.

Belgut Technical Training Institute
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The institution through a competitive and transparent process has continued to advertise shortlist, interview and hire qualified staff to fill vacant positions as per the staff establishment policy. This will deliver efficient training service to trainees and enhanced service delivery to the Institution's Assets and financial otherwise.

d) Installation of Management Information System (MIS)

There is need for Management information system(MIS) in the Institution for efficient workflow and low paperwork. The MIS will help the Institution improves internal Aids the work allocation process and also will allow real- time performance report. It has been signed with system one ltd to install the Mis system as a pilot project. Currently it is in operation in registry, finance, procurement and examination departments.

Successes Consolidated for The Year 2024-2025.

Some of the achievements in the year 2024-2025 are as follows:

Starting off and completion of the construction of the workshop and classrooms that helped ease congestion in classrooms and also better learning workshops for the technical units.

The Institution faced high enrolment of students due to better strategic marketing activities

Challenges for Year 2024-2025.

Drop pass rate on the Kenya National Examinations from 67 % to 52% as for the year 2024-25. This is due to low number of student registered for examination and phasing out of knec exams and lack of enough trainers in areas required most like secretarial.

For tvetcdacc which was rolled out in September,2023. The enrolment was high and the percentage pass rate was 76%.

Capitation received in Quarter 2 and Quarter 3 was less than anticipated and also receiving none in Quarter 4 dragging down the implementation of approved projects.

The Institution didn't receive operating Grants for the last four years for the new established Institutions amounting to 4 million Kenya shillings that could have helped in development of the Institutions Projects.

The Public Service Commission did not deploy enough Trainers to the Institution forcing the Management to employ more Trainers under Board of Governors Terms of Service causing the Wage Bill to go up therefore destabilising the Financial Health.

Future Outlook of Belgut TTI

a) Continuous annual improvement of student's enrolment

In its quest to further improve enrolment, the institution will apply the following strategies: Continue marketing through road shows and visits to high schools and gathering places within Kericho county to create awareness about Belgut TTI and Improve political good will and to present proposals to the Kericho County government and also National government through the area Member of parliament to provide bursaries and other funds to support needy students in the institutions. The improvement of enrolment is one of the key approaches towards our strategic objective of mobilizing financial resources of the institution.

b) Develop physical infrastructure in the institute

Due to continuous annual increase in student's population, Belgut TTI endeavours to meet the demand for training space by continuously seeking for sponsors in the government and in the private sector for the construction of workshops, lecture halls, Institute bus, open pilot campuses and offices as per the strategic plan 2023-2027.

c) Improving efficiency in records and data analysis

To be able to improve efficiency in records and data analysis the institution has a plan for the year 2024-2025 and beyond. Some of the strategies to be adopted includes but not limited to: Installation of ERP system in all modules as phase 1 installation was only done to 4 modules which are the Admissions/Registry Module, Finance Module, Procurement and Stores Module and Human Resource and Payroll modules, Installation of Biometric system for login and logout by staff and students and Installation of modern state of the art CCTV that can be accessed online.

d) Capacity-building of the Institute's human resource

The staff welfare has been a challenge in our institution and has contributed to staff turnover. In the future we plan to consider their welfare by getting a staff van to transport them to and from town the institution every time to ease their movements from their place of residents, secondly we plan to solicit for mortgage and other development funds that can encourage the staff to invest in their housing within Kericho county for their comfort and convenience while teaching and training and last but not least we plan to encourage the staff to form unions, SACCOs and welfare groups

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through relevant bodies to provide information and empower them socially, economically and morally for efficiency in service.

e) Promote collaboration and linkages in Training, Research and Innovation

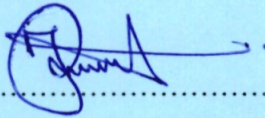
As part of the strategic objective, we shall continue to deliberately seek for collaborations and linkages on institutions and organizations that can work together with our institute towards helping us achieve our mission and vision. This will include those that will accept to take our students for their attachment and other trainings within the term.

f) Income Generating Activities

A policy framework on income-generating activities is currently being formulated and regular training to equip teachers with skills to manage income-generating activities will be conducted; also proper record keeping will be embraced to ensure there is accountability in learning institutions.

Chairman, Board of Governors

Dr. Rotich John Kimutai

Signed.....

Date:27.08.2025

6.Report of the Principal

I. Students enrolment

The growth in population of students and staff influenced the introduction for more programs and courses with increased demand for services provided by our stakeholders particularly suppliers of goods, works and services. This brought about the need for good working relationships with stakeholders and establishment of industrial linkages and collaboration.

To optimize trainee learning, engagement, experience and outcomes, the following programmes were undertaken in three levels that is Artisan, Certificate and Diploma.

Belgut Technical Training Institute
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- ✓ Building & Civil Engineering Department
- ✓ Mechanical Engineering Department
- ✓ Fashion & Design Department
- ✓ Electrical & Electronics Engineering
- ✓ Hospitality & Institutional Management
- ✓ Computing & Informatics
- ✓ Agriculture & Applied science
- ✓ Business and Liberal studies

Some of the Milestones achieved over the financial year under consideration include the following:

ii. Participation in Co-curricular activities

In the year 2024-2025, the college participated in similar competitions and qualified to the national competitions.

i. Athletics Competitions

- The college participated in the Athletics competitions at the regional and national levels.
- 4 athletes participated in the national competitions held in Nairobi in short races: 200M Men and 100M men.

iii. Greening of the institute.

For the Financial Year 2024/2025, the institute participated in the greening TVET programme and in the government's 15 billion tree growing initiative.

The college received and planted 2500 tree seedlings (500 tree seedlings planted in the college land and 2000 trees planted in the water catchment area near the Institute and along the tarmac roads along Kericho and Kisii road from Chemosit river all the way to Seretut junction). The exercise took place in April/ May, 2025

iv. Conferences, workshops, trainings and seminars

The College supported a number of staff to attend conferences, workshops, trainings and seminars in the following areas: Women in technical education(wited), Research &

Belgut Technical Training Institute
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Innovations, Open distance and electronic-learning(ODEL), Office of career service, Finance, Performance Contracting, Procurement, Management trainings among others.

Among the officers supported to attend Management Trainings organized by the Public Service and Kenya Association of Technical Training include:

- i. Benard k. Korir – Principal
- ii. Alice Ronoh – Deputy Principal-Administration
- iii. Hillary Bett- Deputy principal- Academics
- iv. Eric Chumba – Registrar
- v. Mrs Rael Cheruiyot---Dean of students/Trainees
- vi. Judith Chepkemoi – Procurement/Stores Officer
- vii. Mercy C. Kirui-----Procurement Officer
- viii. Wesley Bii – Finance Officer
- ix. Wesley Koskey – Accountant
- x. Dolores Chepngetich - Accountant
- xi. Haron Kipkirui -Accountant
- xii. Kenneth Kandie, HOD Electrical & Electronics Engineering
- xiii. John Seurey, HOD Building & Civil Engineering
- xiv. Andrew Mathitu, HOD Hospitality and Hospitality Management
- xv. Kiptoo Cheruiyot, Management Representative.
- xvi. Robert Chepkwony- Office of the Career Service Coordinator
- xvii. Riper Tum -Industrial Liaison Officer(ILO)
- xviii. Ms Purity Chepngeno HOD Agriculture studies
- xix. Mrs Hellen Nyambura Mogire HOD--Exam

v. Infrastructure

The Institution was able to kick off and completed the construction of workshops and classrooms in order to improve the learning in the Institution by equipping the workshops with the necessary machines.

The institute constructed 12 open workshops, Acquisition of training school vehicle. We also develop and support offices, set up of ICT HUB (Received from the ministry of Education in collaboration with ministry of ICT and Digital, 100 computers valued at approximately KShs. 10,000,000 not yet valued and reflected under Note 31), food and beverages restaurant and kitchen.

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In the same year under review, we were able acquired pick up vehicle for dual training the students.

Principal

Mr. Benard k. Korir

Signed

Date :27.08.2025

7. Statement of Performance against Predetermined Objectives

Belgut Technical Training Institute has 6 strategic Pillars and objectives within current Strategic Plan for the FY 2024-2025. These strategic pillars are as follows:

- i. Curriculum Implementation and student's enrolment.
- ii. Infrastructure Development.
- iii. Corporate Image.
- iv. Administration and Human Resource Management.
- v. Quality Assurance.
- vi. Income Generating Activities and Resource Mobilization.

Belgut TTI develops its annual work plans based on the above 6 Strategic Pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Belgut TTI achieved its performance targets et for the FY 2024/2025 period for its 6 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Strategy	Objective	Key Performance Indicators	Activities	Achievements
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Belgut Technical Training Institute

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Curriculum Implementation and student's enrolment.	<ul style="list-style-type: none"> -Employ enough trainers. -Introduce CBET and NITA. -Allocate days for internal tournament 	<ul style="list-style-type: none"> -To promote extra and co-curricular activities. -To provide adequate games and sporting activity. 	<ul style="list-style-type: none"> -Increased enrolment. -CBET and NITA Courses launched. -Internal tournaments days schedule and documentation of participation. 	<ul style="list-style-type: none"> - Enhanced Marketing. -Registration of the institution as the NITA Centre. -Inter-departmental competitions. 	<ul style="list-style-type: none"> -Increased enrolment. -Trainees sitting for NITA exam. -Sports activities at regional level and National level
Infrastructure Development.	<ul style="list-style-type: none"> -Procure more storage tanks. -Procure an automatic standby generator. -Procure an institute bus/van 	<ul style="list-style-type: none"> -To ensure use of the most cost effective way in supply of water and energy. -To ensure that the transport needs of the institution are met. -To optimize the efficient use of energy. 	<ul style="list-style-type: none"> -storage tanks installed. -standby generator to be procured. -bus/van to be purchased. 	<ul style="list-style-type: none"> -Elevating tanks and water harvesting. -Seeking for additional funds - Seeking for additional funds 	<ul style="list-style-type: none"> -Sufficient water supply/ storage. -Back –up power supply. Easy transportation.
Corporate Image.	<ul style="list-style-type: none"> -Construct more signage at strategic points. Advertise the institution on social media. 	<ul style="list-style-type: none"> -To enhance positive public view of the institute. Actively promote and maintain good image 	<ul style="list-style-type: none"> -signage installed on strategic sites. -the institutions information updated on the institutions website. 	<ul style="list-style-type: none"> -signage's installed along the highway. -Creation of social media platforms for the Institution. 	<ul style="list-style-type: none"> -Enhanced accessibility and location of the institution. -Marketing strategy.

Belgut Technical Training Institute

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	Participate in CSR activities.	of then institute.	-Production of protective masks.	- Distributions of the protective masks to the local primary schools and community.	-prevention of the spread of covid.
Administratio n and Human Resource Management.	-Create welfare scheme for the employees. -Organize for capacity training for the staff. -Set up clear policies to govern the institution.	-Ensure proper management of resources. -To grow the institute capacity. -To follow all legal requirements.	-number of policies/regulations, implemented. -good rapport and working relation between administration and staffs. -departments working together to list good learning materials.	-development of HR manual. - Development of Human resource management(HRM)Com mittee.	- Clear way handling HR matters which include; i. Placement. ii. Deployment iii. Development. iv. Release
Quality Assurance.	-formation of internal quality assurance committee -training/ sensitizatio n of quality assurance officers. -conduct internal quality audits.	-To enhance quality in all aspects of the institute.	-Internal quality assurance committee formed. -Quality Assurance Officers trained. -Internal Quality Audit conducted.	-Internal Quality Assurance implemented.	-Better performance of the Institute. -Better performance of the staff.
Income Generating Activities and	-Develop an IGA Policy.	-To identify possible income	-IGA Policy developed.	-Members participated in Income	-More revenue to the institution.

Belgut Technical Training Institute**Annual Report and Financial Statements for the year ended 30th June 2025**

Resource Mobilization.	-Staff sensitization on IGA Policy.	generating activities the institute can take advantage of.	-Staff sensitized during staff meetings.	Generating Activities. activities which include; i. Computer packages training ii. Installation of Green House for Production of green groceries	-increased corporate image for the institute.
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8. Corporate Governance Statement.

Belgut Technical Training Institute is committed to good corporate governance through the leadership and management by the Board of Governors and the Management team.

The Board meets once every other quarter of financial year and all members attend full board meetings save for committee meetings.

The Board of Governors is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, to oversee the overall success of the Institution and its financial strength in order to discharge its mandate of offering training services. The Board of Governors are appointed for a one term that is a period of 3 years that also can be renewed. The Board of Governors serves as the ultimate decision-making body of the Institution. The Board oversees the operational activities as implemented by the management and also the performance and evaluation. Furthermore, the Board of Governors regularly reviews the infrastructural developments and corporate governance as the case may be.

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During the year under review, new board members were appointed. Three were re-appointed for 2nd and final term while regional director representing Principal secretary was retained. Another four were appointed for three years with possibility of being reappointed.

The board members and committees attended their meetings as tabulated below for the whole financial year:

We have 4 committees namely: Infrastructure and ICT, Education, Training and Human Resources, Finance and Procurement, and Audit and Risk Committees.

The Finance and ICT Committee is responsible for assessing and advising the Board on Belgut TTI's financial position, its assets and liabilities and its strategies relating to income, budget allocations, including consideration of sustainability targets and related investments.

It oversees the development and implementation of the annual budget plan and any variances from the budget in Belgut TTI's revenues and expenditures, review budget planning and implementation reports to ensure sound planning and the strategic allocation of resources to support Belgut TTI's priorities and objectives.

Ensures that an IT governance charter and policies are established and implemented, that IT internal control framework is adopted and implemented and that the board receives independent assurance on the effectiveness thereof.

The Committee also ensures that the Procurement Plan is drafted and corresponds to the activity plan and the budget, all procurement requirements are planned for at the beginning of the financial year and that procurement activities are initiated on time.

The Infrastructure Committee provides oversight, stewardship, and strategic direction of Belgut TTI's physical and digital infrastructure. The Committee also ensures that best practices are reflected in the development and planning of Belgut TTI's campus property and infrastructure, while the cultural and societal implications of such development is thoughtful and meaningful.

The Education, Training and Human Resources Committee advises staff through the Principal, in the direction and guidance on the long-term education and training goals and objectives of Belgut TTI. The instructional design of the core curriculum focuses primarily on addressing the educational needs of trainees to develop and advance their careers. Committee members assist staff

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to assure the accuracy and consistency of the content of instructional materials as well as the technical standards of the industry.

Development of human resources is essential for any organization that would like to be dynamic and growth oriented. Unlike other resources, human resources have rather unlimited potential capabilities. The Committee ensures the optimal usage of human potential to achieve the vision of Belgut TTI, the development and sustainability of the supportive environment (physical as well as social) for the staff and the development of an institutional culture in which organizational values, relationships, teamwork and collaboration among the staff thrives.

The Audit and Risk Committee is responsible for monitoring the overall risk management framework, the financial reporting processes, the compliance processes and the performance of auditors. It provides advice to the Board on the need for audit and risk management programs, and systems for internal control and management of financial risks.

The committee board members who served during the year were as follow:

Infrastructure Committee:

- i. Eng. Wesley Tonui –Chair
- ii. Professor Milkah Obwenyi-member
- iii. Caroline Chepngetich-member
- iv. Benard k. Korir –secretary

Education, Training and Human resources committee

- (i) Mr. ken O. Agutu ---- Chair
- (ii) Mr. Peter Cheruiyot----Member
- (iii) Dr. Milkah Obwenyi ---Member
- (iv) Mr. Benard k. Korir—secretary

Finance and ICT committee

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- (i) Cpa Gilbert k. Bii-----chair
- (ii) Ms. Caroline Chepngetich---Member
- (iii) Mr. Peter Cheruiyot -----member
- (iv) Mr. Benard k. Korir-----Secretary

Audit and Risk Committee:

- (i) Cpa Linda Gatakaa.....chair
- (i) Eng. Wesley Tonui..... Member
- iii) cpa carren Tonui..... secretary

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9. Management Discussion and Analysis

Material arrears in statutory and other financial obligations.

-Statutory deductions complied with NSSF Act 2013 and SHA Act. All statutory deductions remitted on time to the relevant bodies.

Major risks

-The institutions didn't receive operational grants for newly established Institution since Financial year 2020/2021.

-Declining capitation received on time hence affecting budget for the period under review.

-Fourth quarter capitation was not received. Fees collection reduced due to declining economic activities in the year under review.

-challenges of placing students under different band in new financing model.

Belgut TTI Key Projects or Investment Decisions.

Belgut TTI was able to purchase a pick up for dual training, and began an open workshop which is underconstruction and expected to be complete and operational in the financial year 2025/2026. The Institute also opened new campuses one at Litein town and another in Sosiot and in the process of opening masarian satellite campus.

10. Environmental and sustainability reporting statement

The Institute Environment sustainability.

The institute has already implemented Presidential Directives on tree growing exercise. So far over 2,000 trees have been planted as part of Presidential Directive and Environments Directive.

Belgut TTI exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organization's strategic objectives.

Sustainability strategy and profile

For the sustainability the institution focuses on market driven programs and courses that is informed by environmental industrial and global changes in terms of technology, climate change.

Focusing on Human Resource Development and Management through continuous training and motivation for retention of the best skill man-power.

Continuous resource mobilization through linkages, collaboration and partnership with stakeholders including donors, sponsors and funding organizations. In addition, aligning activities and programs to government medium term plans.

Environmental performance

Environmental concerns impact on the activities of the institution and therefore the institution aligns its environmental activities with government policies and presidential directives that includes; tree growing, solid and liquid waste management practices. The institutions subscribe to the policies as outlined in the national Environmental Management Act of 1999.

The institute have already implemented Presidential directive on tree growing exercise. So far over 2,000 trees have been planted as part of presidential directive and environmental directive.

Employee welfare

The institution has already developed a Human Resource Management policy that is being utilized. The policy has guided the institution on matters concerning Human Resources all the way from attracting potential employees to the point of developing employees and exiting employees from the service.

The policy also has a clear reward mechanism. Employee's grievance is also well captured on the Human Resource Policy.

Market place practices-

- a) On Responsible competition practice our institution gives an equal opportunity for all, suppliers for goods, works and services through compliance and adherence to the principles outlined in the public procurement and Asset Disposal Act of 2015 and the accompanying regulation of 2020.
- b) Responsible Supply chain and supplier relations.

The institution employs qualified and competent procurement officers and finance officers who meet the requirements of respective regulatory bodies that includes International Certified Public Accountants of Kenya (ICPAK) and Kenya Institute of Supplies Management(KISM). The

and stakeholder good relations.

- c) Responsible marketing and advertisement-

-Integrity is one of the core values of the Institution. The members of the, marketing team, the institution demands that; they be honest, sincere and trustworthy in their marketing efforts and strategies to project fair and trustworthy marketing information.

- d) Product stewardship- the Institution employs qualified trainers with pedagogy to assure the rights and the interest of the learners is protected against half-bake delivery of service. The Quality Assurance component assures the quality of teaching and learning in prescribed programs and courses.

Apart from the programs and courses offered the institutions co-curricular activities to ensure the development of full potential of the trainees.

Corporate Social Responsibility / Community Engagements

The Belgut TTI strategy for social responsibility includes a commitment to pursue change across the following priority areas:

- **Research with impact**

Research activities is making a positive difference to society, addressing the major challenges of the 21st century.

- **Socially responsible graduates**

Graduates have been trained in good leadership aspects and are learning to exercise ethical, social and environmental responsibility.

- **Engaging our communities**

The institute graduates carry out a Clean-up exercise through students in partnership with the County Government of Kericho and NEMA.

11. Report of the board of governors

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

Principal activities

The principal activity in the Institution is to offer technical and business training services.

Results

The results of the Institution for the year ended 30th June 2025, are set out on page 1 to 8

Board of Governors

The members of the Board who served during the year are shown on page vi. During the year 2024-2025 no new members were appointed retired or resigned during their term.

Auditors

Belgut Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

The Auditor General is responsible for the statutory audit of the Belgut TTI in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or a Certified Public Accountants were nominated by the Auditor General to carry out the audit of Belgut TTI for the year ended June 30th, 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/her behalf.

By Order of the Board

.....

Secretary of the Board.

Nairobi

Date:08.12.2025

12.Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the council members to prepare financial statements in respect of Belgut TTI which give a true and fair view of the state of affairs of Belgut TTI at the end of the financial year/period and the operating results of Belgut TTI for that year/period. The board members are also required to ensure that Belgut TTI keeps proper accounting records which disclose with reasonable accuracy the financial position of Belgut TTI. The council members are also responsible for safeguarding the assets of Belgut TTI.

The Council members are responsible for the preparation and presentation of Belgut TTI's financial statements, which give a true and fair view of the state of affairs of Belgut TTI for and as at the end of the financial year (period) ended on June 30, 2024. 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 Belgut TTI, (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

Belgut Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

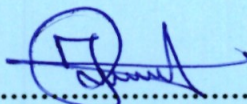
fraud, (iv) safeguarding the assets of Belgut TTI, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for Belgut TTI's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and TVET Act No.29 of 2013A). The board members are of the opinion that Belgut TTI's financial statements give a true and fair view of the state of Belgut TTI's transactions during the financial year ended June 30, 2025, and of Belgut TTI's financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for Belgut TTI, which have been relied upon in the preparation of Belgut TTI's financial statements as well as the adequacy of the systems of internal financial control.

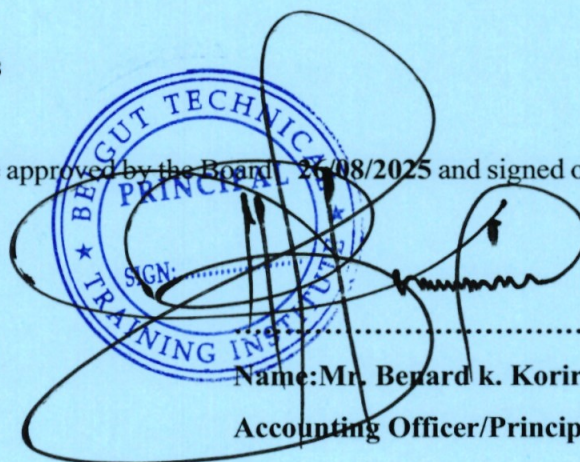
In preparing the financial statements, the Principal has assessed Belgut TTI's ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that Belgut TTI will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Belgut TTI's financial statements were approved by the Board on 26/08/2025 and signed on its behalf by:



.....
Name: Dr. Rotich John Kimutai
Chairperson of the Board.



.....
Name: Mr. Bernard K. Korir
Accounting Officer/Principal

13. Report of the Auditor General:

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 BELGUT TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Belgut Technical Training Institute set out on pages 1 to 61, which comprise of the statement of financial position

Report of the Auditor General on Belgut Technical Training Institute For the year ended 30 June, 2025

at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Belgut Technical Training Institute as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Educational and Training Act, 2013.

Basis for Qualified Opinion

1.0. Unconfirmed Transfers from Other National Government Entities

The statement of cashflows reflects transfers from National Government entities of Kshs.57,950,410 for the year under review. However, the recomputed balance from receivables from non-exchange as at 30 June, 2024 of Kshs.14,928,575, transfer from other National Government entities for the year ended 30 June, 2025 of Kshs.65,821,985 and receivables balance as at 30 June 2025 of Kshs.7,871,575 is Kshs.72,878,985. The recomputed balance, therefore, differ with the cashflow balance of Kshs.57,950,410 by Kshs.14,928,575 and the same has not been explained.

In the circumstances, the accuracy and completeness of the transfers from National Government entities of Kshs.57,950,410 could not be confirmed.

2.0. Unconfirmed Inventory Balance

The statement of financial position and Note 29 to the financial statements reflect inventories balance of Kshs.4,410,047. However, physical inspection of the stores on 20 November, 2025 revealed several significant weaknesses in the management of inventory as noted below.

- i. The storage space is inadequate, with stock lying on the floor due to limited shelves space and stock count was not possible.
- ii. Poor ventilation in the room.
- iii. Exposure to dust and environmental elements threatening the quality and longevity of the inventory. Thus, some obsolete stock could have been counted.

iv. The institute had two satellite campuses that operates independent stores but the inventory balances for the campuses were not disclosed in financial statements.

In the circumstances, the accuracy and completeness of inventory balance of Kshs.4,410,047 could not be confirmed.

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

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budgets and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.268,756,000 and Kshs.146,973,758, respectively, resulting to an underfunding of Kshs.121,782,242 or 45% of the budget. Similarly, the institute spent Kshs.121,160,502 and Kshs.29,335,746 totalling Kshs.150,496,248 against the actual receipts of Kshs.146,973,758 resulting to over absorption of Kshs.3,522,490.

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

The over-absorption is not supported by Board approval and the expenditure was unauthorized.

My opinion is not modified in respect of this matters.

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 matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the Other Information set out on page v to xxxi which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, The Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting

Statement and Statement of the Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0. Non-Compliance with Persons with Disability Act

Review of the muster roll and personnel records revealed that the entity had one hundred and eighty-six (186) employees on permanent and contractual terms but only two (2) or 1% were persons with disability. This is contrary to section 21(1)(2) of the Persons with Disability Act, 2025 which requires employers to reserve at least five per cent direct employment opportunities for persons with disabilities.

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

2.0. Failure to Comply with Work Injury Benefit (WIBA) Act 2007

During the year under review the entity did not secure WIBA Insurance for the employees contrary to Section 7(1) of Work Injury Benefits Act, 2007, which provides that every employer shall obtain and maintain an insurance policy, with an insurer approved by the Minister in respect of any liability that the employer may incur under this Act to any of his employees

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

3.0. Failure to Observe Ethnicity Diversity

Review of the payroll and personnel records revealed that the entity had one hundred and eighty-six (186) employees on permanent and contractual terms and 184 of them or ninety-nine percent (99%) were from the dominant ethnic community in the region. This is contrary to the provisions of Section 7(1) and (2) the National Cohesion and Integration Act, 2008 provides that all public establishments shall seek to represent the diversity of the which people of Kenya in the employment of staff and that no public establishment shall have more than one-third of its staff from the same ethnic community.

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

3.0.Failure to Tax Honoraria

The statement of financial performance and Note 17 reflects board expenses amount of Kshs.3,500,650. Review of payments records revealed amounts for honoraria for July and September 2024 of Kshs.25,000 each of and totalling to Kshs.50,000. However, the amount was not charged tax.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1.0.Non-Implementation of E-Procurement System

Review of procurement records revealed that the entity did not conduct procurements through the required e-procurement module contrary to Regulation 49(2) of the Public Procurement and Asset Disposal Regulations, 2020. This indicates failure to use an integrated e-procurement system connected to the state Portal for procurement processes.

In the circumstances, Management did not put in place a proper system to ensure efficiency and effectiveness in procurement and disposal procedures.

2.0. Lack of Risk Management policy

Review of internal controls and risk management revealed that management did not develop a formal risk management policy and did not conduct an institute-wide risk assessment during the year under review, contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015, thereby indicating the absence of a structured framework for identifying, evaluating, and mitigating operational, financial and compliance risks.

In the circumstances, risk management could not be confirmed.

3.0. Deficiencies in the ICT system

Review of ICT environment revealed that the institute has adopted mycampuscura system supplied to support key operations functions of the institution with finance, administration, procurement and stores management modules. However, review of system configuration and contract agreement dated 19 august 2024 revealed the following matters.

- i. The finance module is unable to generate key financial reports, lacks functional ledgers and a cashbook and produces inaccurate receivables balances, resulting in unreliable financial information and inadequate audit trails.
- ii. Both the human resource and procurement modules were found to be non-functional, forcing critical processes to be conducted manually, thereby increasing operational risk, reducing efficiency and weakening internal controls.
- iii. The reporting module is inadequate and unable to generate comprehensive management reports despite the contract providing a 12-month warranty period, no functional reports are currently produced.
- iv. The contract agreement is silent on the limits, roles, responsibilities and rights of both the vendor and the institution, exposing the institution to risks related to unauthorized system access, potential data manipulation and loss of institutional data.

In the circumstances, system weaknesses expose the institution to risks of financial misstatements, operational inefficiencies and non-compliance and requires corrective action.

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

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2025

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a

Belgut Technical Training Institute
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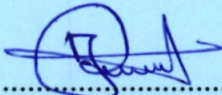
14. Statement of Financial Performance for The Year Ended 30th June 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	65,821,985.40	18,712,019.90
Grants from donors and development partners	7	-	
Transfers from other levels of government	8	-	
Public contributions and donations	9	-	1,343,780.00
Total Revenue from Non-Exchange transactions		65,821,985.40	20,055,799.90
Revenue from Exchange transactions			
Rendering of services- fees from students	10	324,800,376.32	53,321,986.45
Sale of goods	11	5,440,840.00	96,810
Rental revenue from facilities and equipment	12		-
Finance income	13	--	-
Miscellaneous income	14	25,553,383.00	9,748,404.50
Revenue from Exchange transactions		355,794,599.32	63,167,200.95
Total Revenue		421,616,584.72	83,223,000.85
Expenses			
Use of goods and services	15	92,415,044.55	50,971,473.65
Employee costs	16	23,041,906.00	14,002,057.90
Board /Council Expenses	17	3,500,650	1,924,350
Depreciation and amortization expense	18	7,589,601.00	3,571,664
Repairs and maintenance	19	8,339,728.00	5,570,095.00
Contracted services	20	0	
Grants and subsidies	21	0	
Finance costs	22	0	
Total Expenses		134,886,929.55	76,039,640.55
Other Gains/(Losses)			
Gain on sale of assets	23	0	0
Gain/ Loss on fair value of investments	24	0	0
Impairment loss	25	0	0
Total Other Gains/(Losses)			
Net surplus/(deficit) for the year		286,729,655.17	7,183,360.30

(The notes set out on pages 9 to 63 form an integral part of the Annual Financial Statements).

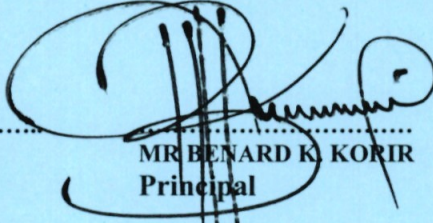
Belgut Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

The Financial Statements set out on pages 1 to 8 were signed by:



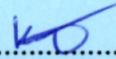
DR JOHN K. ROTICH
Chairman of Board

Date.08.12.2025



MR BERNARD K. KORIR
Principal

Date. 08.12.2025



Cpa BII K. WESLEY
Finance Officer
ICPAK No.26514

Date. 08.12.2025

Comparative FY refers to the financial year preceding the current year.



Belgut Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

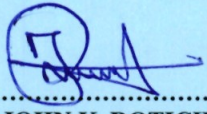
15. Statement of Financial Position as at 30th June ,2025.

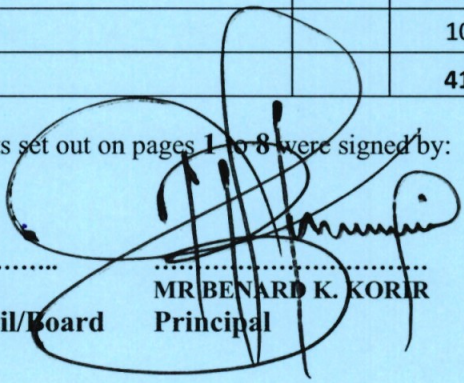
Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	287,674.60	3,810,164.05
Current portion of receivables from exchange transactions	27(a)	262,620,084.63	52,756,010.97
Receivables from non-exchange transactions	28	7,871,575.00	14,928,575.00
Inventories	29	4,410,047.00	2,022,887.00
Investments in financial assets	30	-	-
Prepayments	31		
Total Current Assets		275,189,381.2	73,517,637.02
Non-Current Assets			
Long term receivables from exchange transactions	27(b)		
Investments	30		
Property, plant, and equipment	32	155,535,218.00	133,789,073
Intangible assets	33		
Investment property	34		
Biological Assets	35		
Total Non-Current Assets		155,535,218.00	133,789,073
Total Assets (A)		430,724,599.23	207,306,710.02
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36	4,446,887.00	1,394,491.00
Refundable deposits from customers	37	7,107,207.00	-
Current provisions	38		
Finance lease obligation	39		
Deferred income	40		
Employee benefit obligation	41		
Payments received in advance	42	1,356,353.39	6,341,020.00
Current portion of borrowings	43		
Social Benefits	46		

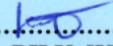
Belgut Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2025

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
Total Current Liabilities		12,910,447.39	11,526,393.00
Non-Current Liabilities			
Finance lease obligation	39	-	-
Deferred income	40	-	-
Non-Current Employee Benefit Obligation	41	-	-
Non- Current Borrowings	43	-	-
Non-Current Provisions	44	-	-
Service Concession Liability	45	-	-
Social benefits	46	-	-
Total non- current liabilities		-	-
Total Liabilities (B)		12,910,447.39	11,526,393.00
Net Assets (A-B)		417,814,151.84	195,780,317.02
Represented By:			
Revaluation Reserves.		-	-
Accumulated Surplus.		313,889,821.22	27,160,166.05
Capital Fund		103,924,330.62	168,620,150.97
Net Assets		417,814,151.84	195,780,317.02

The Financial Statements set out on pages 1 to 8 were signed by:


 DR JOHN K. ROTICH
 Chairman of Council/Board


 MR BENARD K. KORIR
 Principal

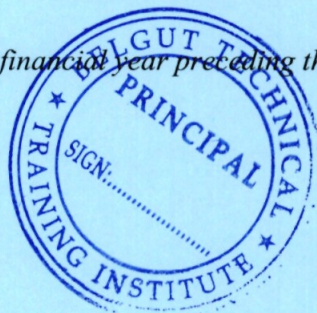

 Cpa BII K. WESLEY
 Finance Officer

Date. 08.12.2025

Date. 08.12.2025

Date. 08.12.2025

Comparative FY refers to the financial year preceding the current year.



**Belgut Technical Training Institute
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	-	19,624,441.75	128,372,577.95	147,997,019.70
Revaluation gain				
Surplus/(deficit) for the year	-	7,108,110.30	-	7,108,110.30
Capital grants received during the year				
Transfer of depreciation/amortisation from capital fund to Retained earnings	-		38,247,373.02	38,247,373.02
	-	27,160,166.05	168,620,150.97	195,780,317.02
At June 30, 2024				
	-	27,160,166.05	168,620,150.97	195,780,317.02
At 1st July, 2024				
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year		286,729,655.17	-	286,729,655.17
Capital grants received during the year/Prior year Adjustment.	-	-	(64,695,820.35)	(64,695,820.35)
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30th, 2025	-	313,889,821.22	103,924,330.62	417,814,151.84

Note:

1. For items that are not common in the financial statements, the Belgut tti should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

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17. Statement of Cash Flows for The Year Ended 30th June ,2025

Description		2024/2025	2023/2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from National Government		57,950,410.40	18,712,019.90
Grants from donors and development partners			
Transfers from other levels of government			
Public contributions and donations		-	1,343,780.00
Rendering of services- fees from students		56,749,139.70	53,321,986.45
Sale of goods		6,720,825.00	96,810
Rental revenue from facilities and equipment		-	-
Finance income			
Other income		25,553,383.00	9,748,404.50
Miscellaneous		-	600,950.00
Total Receipts		146,973,758.10	83,823,950.85
Payments			
Use of goods and services		85,920,795.55	50,971,473.65
Employee costs		23,041,906.00	14,002,057.90
Board /Council Expenses		3,500,650.00	1,924,350
Repairs and maintenance		8,017,411.00	5,570,095.00
Contracted services			
Grants and subsidies			
Other Payment		679,739.00	284,500
Total Payments		121,160,501.55	72,752,476.55
Net Cash Flows from operating activities	47	25,813,256.55	11,071,474.3
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(29,335,746.00)	(23,831,234.00)
Proceeds from sale of property, plant and equipment			
Net cash flows used in investing activities		(29,335,746.00)	(23,831,234.00)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		(3,522,489.45)	(12,759,759.70)
Cash and Cash equivalents at 1 JULY,2024	26	3,810,164.05	16,569,923.75
Cash and Cash equivalents at 30 JUNE,2025	26	287,674.60	3,810,164.05

(PSASB has prescribed the direct method of cashflow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization 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*	106,704,000	-	106,704,000	146,973,758.10	-40269758.10	137.7%
Receipts						
Transfers from other National Government entities	71,840,410	-	71,840,410	57,950,410.40	13,889,999.6	81%(a)
Grants from donors and development partners		-	0		0.0	
Transfers from other levels of government		-	0		0.0	
Public contributions and donations		-			0.0	
Rendering of services- fees from students	196,915,590		196,915,590	56,749,139.70	140,166,450.3	28.8%(b)
Sale of goods	-	-		6,720,825	-6,720,825.0	
Rental revenue from facilities and equipment		-			0.0	
Finance income		-			0.0	
Miscellaneous Income		-	0	25,553,383.00	-25,553,383.0	
Total Receipts	26875600	-	268,756,000	146,973,758.10	121,782,241.9	54.7%
Payments		-				
Use of goods and services	190,796,000	-	190,796,000	85,920,795.55	104,875,204.45	45.03%(c)
Employee costs	53,400,000	-	53,400,000	23,041,906.00	30,358,094.0	43.1% (d)
Board /Council Expenses	6,000,000	-	6,000,000	3,500,650	2,499,350.0	58.3%(e)
Repairs and maintenance	18,560,000	-	18,560,000	8,017,411.00	10,542,589.0	43.2% (f)
Contracted services					0.0	
Other payments				679,739	-679739	
Grants and subsidies					0.0	
Use of goods and services					0.0	
Total Expenditure Payments	268,756,000		268756000	121,160,501.55	147,595,498.45	45.1%
Capital Expenditure Payments	53,500,000		53,500,000	29,335,746	24,164,254	54.8%(g)

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Surplus	-53,500,000		-53,500,000	-3,522,489.45	-49,977,510.55	0
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(Budget carryovers This is for entities whose budget lapses at year-end, but the surpluses are not legally required to be remitted to the Exchequer. Budget carryovers should not include third-party funds such as contractors' retention.)*

(Entities can present the Statement of Comparison of Budget & Actual amounts in a different format/categorization as approved by the governing body.)

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14

3. Provide an explanation of changes between the original and final budget, indicating whether the difference is due to re allocations or other causes. (IPSAS 24.29)

- (a) Decrease in revenue were due to less amount received than anticipated from the government under capitation and scholarship
- (b) Decrease in rendering of service were due unfavourable economy and less helb for students received
- (c) Decrease in absorption of used of good were due to less funding received than anticipated from most of the students
- (d) Decrease in employee cost were due limited resources to improved their earning as budgeted
- (e) Decrease in board expenses were due to limited resources received and less recruitment exercise undertaken during the year
- (f) Decrease in RMI were due to less money received than anticipated
- (g) Decrease in absorption of development were due to limited resources received than anticipate

19. Notes to the Financial Statements

1. General Information

Belgut tti is established by and derives its authority and accountability from Tvet Act. The Belgut tti is wholly owned by the Government of Kenya and is domiciled in Kenya. The Belgut tti's principal activity is training

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *Belgut tti's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note no.47. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Belgut tti*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 2025)

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 cash flows of an Institution. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>No impact of the standard to the institution</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>No impact of the standard to the institution</i>
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. <i>No impact of the standard to the institution</i>
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i>

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	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>No impact of the standard to the institution</i></p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that Belgut tti shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>No impact of the standard to the institution</i></p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>No impact of the standard to the institution</i></p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>No impact of the standard to the institution .</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the Belgut tti's financial statements arising from the exploration for and evaluation of

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	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. <i>No impact of the standard to the institution</i>
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Belgut tti 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 Belgut tti 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 Belgut tti.

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 Financial year 2024/2025 was approved by the Board on *21st June 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 Belgut tti upon receiving the respective approvals to conclude the final budget. Accordingly, Belgut tti recorded no additional appropriations on the Financial year 2024/2025 budget following the Council/ Board's approval. The Belgut tti'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

Belgut TTI is exempt from paying taxes.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over nil year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (Belgut tti to amend appropriately).* 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 Belgut tti 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 Belgut tti. 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. Belgut tti 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 Belgut tti 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 Belgut tti. 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 Belgut tti 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 Belgut tti, 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 Belgut tti expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Belgut tti 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 Belgut tti does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one Belgut tti and a

Belgut Technical Training Institute

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financial liability or equity instrument of another institution. At initial recognition, the Belgut tti 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 Belgut tti 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 Belgut tti'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 Belgut tti 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 Belgut tti 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 Belgut tti 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 Belgut tti 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 Belgut tti 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 Belgut tti 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 *Belgut tti*.

l) Provisions

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

Contingent liabilities

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

Contingent assets

The *Belgut tti* 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 *Belgut tti* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The *Belgut tti* 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 *Belgut tti* will incur in fulfilling the present obligations represented by the liability.

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions.

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

r) Borrowing costs

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

s) Related parties

The *Belgut tti* regards a related party as a person or an *Belgut tti* with the ability to exert control individually or jointly or to exercise significant influence over the *Belgut tti*, or vice versa.

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Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

t) Service concession arrangements

The *Belgut tti* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Belgut tti* 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 *Belgut tti* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. 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.

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts

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of assets and liabilities within the next financial year, are described below. The Belgut tti 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 Belgut tti. 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 *Belgut tti*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

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

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

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

6. Transfers from other National Government institutions

Description	2024/2025	2023/2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	6,018,425.00	13,061,425.00
Scholarship Grant	51,931,985.40	5,650,594.90
Development grants		
Other Grants		
Receivables from non exchange transaction-Capitation	7,871,575	0
Total unconditional Grants		
Conditional Grants amortised/ recognised in revenue		
Library Grant		
Hostels Grant		
Administration Block Grant		
Laboratory Grant		
Learning Facilities Grant		
Other Organizational Grants		

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Total Government Grants and Subsidies	65,821,985.40	18,712,019.90
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(a) Transfers from other Government entities (Categorized)

Name of the Belgut tti Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	57,950,410.40		-	57,950,410.40	18,712,019.90
Education Ministry					
Total	57,950,410.40			57,950,410.40	18,712,019.90

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry.)

*Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached.

(NB: Total of column 1 should tie to the first part of note 6 on unconditional grants)

The details of the reconciliation have been included under appendix xxx

7.Grants from Donors and Development Partners

Description	2024/2025	2023/2024
	Kshs	Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants (specify)	-	-
Total Grants from Development Partners	-	-

(a) Reconciliations of grants from donors and development partners

Description	2024/2025	2023/2024
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Yet To Be Met - Remain Liabilities	-	-

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	2024/2025	2023/2024
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	Kshs	Kshs
Transfer from Institution	-	-
Transfer from Institution	-	-
Transfer from Institution	-	-
Total Transfers	-	-

9. Public Contributions and Donations

Description	2024/2025	2023/2024
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Finlay Community trust	-	1,343,780.0
Total Donations and Contributions	-	1,343,780.0

(Provide brief explanation for this revenue)

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10. Rendering of Services

Description	2024/2025	2023/2024
	Kshs	Kshs
TUITION	106,937,468.69	19,423,364.53
STUDENT COUNCIL	4,076,050.47	1,264,852.00
ACTIVITY	14,058,826.00	1,933,718.00
RMI	24,354,240.45	4,558,839.00
LT&T	50,369,977.19	9,553,902.00
MEDICAL	1,977,118.00	130,202.00
ATTACHMENT & LINKAGES	5,232,329.52	610,280.00
INSURANCE	6,452,822.00	14,325.00
EWC	47,504,182.00	1,437,946.00
P E	38,064,997.00	9,761,342.92
ADMN. COST	15,699,299.00	3,318,087.00
ICT /AUTOMATION	8,598,678.00	1,275,628.00
REGISTRATION	1,474,388.00	39,500.00
Others (<i>Specify</i>)		
Total Revenue from The Rendering of Services	324,800,376.32	53,321,986.45

This revenue is received from students as per Approved fees structure.

11. Sale of Goods

Description	2024/2025	2023/2024
	Kshs	Kshs
	5,440,840.00	
Sale of farm produce/dust coats/meals/Driving school		96,810.00
Sale of Publications		
Other sales (<i>specify</i>)		
Total Revenue from Sale of Goods	5,440,840.00	96,810.00

(These are revenue from IGA)

12. Rental revenue from facilities and equipment

Description	2024/2025	2023/2024
	Kshs	Kshs
Hire of Facilities and Equipment	-	-
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Others (<i>specify</i>)	-	-
Total		-

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

13. Finance Income

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Description	2024/2025	2023/2024
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Others (<i>specify</i>)	-	-
Total finance income	-	-

(Provide brief explanation for this revenue.)

14. Miscellaneous/Other Income

Description	2024/2025	2023/2024
	Kshs	Kshs
KNEC examination	24,716,883.00	8,321,926.50
Id Belgut TTI card	175,800.00	222,190.00
KUCCP'S Placement	606,700.00	1,031,648.00
Practical food	54,000.00	164,640.00
Income from sale of tender	-	8,000.00
Total other income	25,553,383.00	9,748,404.50

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

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15. Use of Goods and Services

Description	2024/2025	2023/2024
	Kshs	Kshs
TUITION	28,179,062.00	20,481,451.90
STUDENT COUNCIL	1,779,145.00	879,835.00
ACTIVITY	7,683,778.35	1,831,740.00
LT&T	21,426,917.30	10,077,221.00
MEDICAL	225,500.00	198,885.00
ATTACHMENT & LINKAGES	738,380.00	712,600.00
INSURANCE	856,833.00	25,000.00
EWC	1,416,627.00	1,203,152.50
ADMN. COST	6,379,645.00	5,477,520.25
ICT /AUTOMATION	977,111.90	461,139.00
REGISTRATION	-	-
EXAMS	15,969,440.00	7,206,275
KUCCPS		174,000.00
PRODUCTION	6,720,825.00	78,552.00
ID	61780.00	121,300.00
EXAM		
Operating lease	-	600,000
Marketing expenses	-	85,200
Fuel.	-	1,035,632
Professional & consultancy	-	30,000
Staff travel and accommodations	-	291,970
Total good and services	92,415,044.55	50,971,473.65

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16. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries and wages	19,308,147.00	11,761,897.90
Employee related costs - contributions to pensions and medical aids SHA .	2,697,264.00	1,834,740.00
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
PAYE/TAXES	1,036,495	405,420.00
Total Employee costs	23,041,906.00	14,002,057.90

17. Board Expenses.

Description	2024/2025	2023/2024
	Kshs	Kshs
Chairman's Honoraria	209,500	25,000
Board 's emoluments	2,846,250	1,780,600
PAYE	442,000	117,600
NITA	2,900	1,150.00
Total Board Emoluments	3,500,650	1,924,350

18. Depreciation and Amortization expense.

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	7,589,601	3,571,664
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization	7,589,601	3,571,664

19. Repairs and Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property	8,339,728.00	5,364,955.00
Investment property – earning rentals	-	
Equipment and machinery	-	140,900.00
Vehicles	-	64,240.00
Furniture and fittings	-	
Computers and accessories	-	
Total Repairs and Maintenance	8,339,728.00	5,570,095.00

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20. Contracted Services.

Description	2024/2025	2023/2024
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
Total contracted services	-	-

21. Grants and Subsidies.

Description	2024/2025	2023/2024
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (specify)	-	-
Total Grants and Subsidies	-	-

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

22. Finance Costs

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

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

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23. Gain On Sale of Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

24. Gain/(loss) on Fair Value Investments

Description	2024/2025	2023/2024
	Kshs	Kshs
Fair value on equity investments .	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

25. Impairment Loss

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

26. Cash and Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current account-1257399845	(181,297.25)	3,902,835.00
Current account-1290546444	468,971.85	(92,670.95)
Fixed Deposits Account		-
Cash in hand		-
Others(specify)		
Total cash and cash equivalents	287,674.60	3,810,164.05

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

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

Financial Institution	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current account			
Kenya Commercial bank	1257399845	(181,297.25)	3,902,835.00
Kenya Commercial bank	1290546444	468,971.85	(92,670.95)
Sub- total		287,674.60	3,810,164.05
b)			
On - call deposits			
Kenya Commercial bank			
Equity Bank – etc			
c) Sub- total			
Fixed deposits account			
Kenya Commercial bank			
Bank B			
d) Sub- total			
Staff car loan/ mortgage			
Kenya Commercial bank			
e) Bank B			
Sub- total			
Others(specify)			
Cash in transit			
cash in hand			
Mobile Money account			
Sub- Total			
Grand total		287,674.60	3,810,164.05

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27.Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	2024/2025	2023/2024
	Kshs	Kshs
Current Receivables		
Student debtors	262,431,584.63	17,067,503.00
Imprest	175,000.00	55,000.00
Salary advance	13,500.00	53,250.00
Consultancy debtors		
Other exchange debtors		
Less: impairment allowance		
Total current receivables	262,620,084.63	52,864,260.97

27 (b) Long- term Receivables from Exchange transactions

Description	2024/2025	2024/2023
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits		
Advance Payments		
Public Organizations		
Less: Impairment Allowance		
Total		
Current Portion Transferred To Current Receivables		
Total Non-Current Receivables		
Total Receivables		

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	245,815,959.13	93.7%	44,728,400.97.97	63.01
Between 1- 2 years	16,615,625.50	6.3%	4,842,766.00.00	30.12
Between 2-3 years	0	%	2,605,523.00.00	6.87
Over 3 years	0	%	579,321.00.00	0
Total (a+b)	262,431,584.63	%	52,756,010.97.97	100

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

Description	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year	52,756,010.97	17,067,503.00
Provisions during the year	266,424,713.36	31,704,000.00
Recovered during the year	56,749,139.70	(3,984,507.97)
Write offs during the year	-	-
At the end of the year	262,431,584.63	52,756,010.97

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

28.Receivables from Non-Exchange transactions

Description	2024/2025	2024/2023
	Kshs	Kshs
Current Receivables		
Capitation grants*ksh 30,000 x463 students=ksh 13,890,000		
Less AMOUNT RECEIVED KSH 6,018,425=KSH 7871575	7,871,575	14,928,575
Undisbursed donor funds		
Other debtors (non-exchange transactions)		
Less: impairment allowance		
Total current receivables	7,871,575	14,928,575

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

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

Description	2024/2025		2023/2024	
	Kshs	% of the total	Kshs	% of the total
Less than 1 year	7,871,575	100%	14,928,575	100%
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	7,871,575	100%	14,928,575	100%

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

Description	2024/2025	2023/2024
	Kshs	Kshs
At the beginning of the year	14,928,575	14,026,000
Additional provisions during the year	13,890,000	27,990,000
Recovered during the year	6,018,425	13,061,425
Written off/Unrecovered during the year	14,928,575	14,026,000
At the end of the year	7,871,575	14,928,575

29. Inventories.

Description	2024/2025	2023/2024
	Kshs	Kshs
Electrical & Electronics	926,375	897,025
Building & Civil Engineering	859,630	954,041
Consumables store	855,352	72,066
Hospitality	654,135	-
Cosmetology	610,635	-
Fashion & Design	407,140	-
Agriculture & Environment Studies	96,780	99,755
Total inventories at the lower of cost and net realizable value	4,410,047	2,022,887

These are inventories issued to departments but unused by the close of the year

Detailed disclosure on inventories

	2024/2025	2023/2024
Opening balance	2,022,887	1,298,555
Additional Inventory in the year	9,388,351	0
Inventory expensed in the year	7,001,191	0
Write-downs in the year	0	0
Others specify	0	0
Closing balance	4,410,047	2,022,887

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30. Investments in financial assets

Description	2024/2025	2023/2024
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (Specify)	-	-
Equity/ Shares in Company .	-	-
Sub- Total	-	-
Grand Total	-	-

(Belgut tti should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes the interest rates, maturity dates, valuation methodology, and impairment of these investments.

d) Shareholding in other entities

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

Name of Belgut tti where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	2024/2025	2023/2024
	%	%	%	Kshs	Kshs	Kshs
Belgut tti A	-	-	-	-	-	-
Belgut tti B	-	-	-	-	-	-

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31. Prepayments

Description	2024/2025	2023/2024
	Kshs.	Kshs.
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

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32. Property, Plant and Equipment.

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & Accessories.	Plant and equipment	Capital Work in progress	Intangible assets	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs
Depreciation Rate	0%	2%	12.5%	13%	25%	10%	-		
At 1 July 2023 (previous year)	15,000,000	83,100,000		3,167,750	2,224,440	6,184,395	421,100		110,097,685
Additions	0	7,557,582	11,753,640	590,765	12,838,975	1,015,022	2,075,250		35,831,234
Disposals	0	0	0	0	0	0	0		0
Transfers/Adjustments	0	0	0	0	0	0	0		0
Revaluation	0	0	0	0	0	0	0		0
At 30th June 2024 .	15,000,000	90,657,582	11,753,640	3,758,515	15,063,415	7,199,417	2,496,350		145,928,919
Additions	0	0	3,790,000	496,759	467,000	458,970	23,123,017	1,000,000	29,335,746
Disposals									
Transfer/Adjustments	0	0	0	0	0	0	0		0
Revaluation	0	0	0	0	0	0	0		0
At 30th June 2025 (current year)	15,000,000	90,657,582	15,543,640	4,255,274	15,530,415	7,658,387	25,619,367	1,000,000	175,264,665
Depreciation And Impairment									
At 1st July, 2023 (previous year)	0	4,420,558	0	1,098,886	928,945	2,119,793	0		8,568,182
Depreciation		1,611,377	658,804	348,921	518,170	434,392	-		3,571,664
Disposals	-	-	-	-	0	0	0		0
Impairment	-	-	-	-	0	0	0		0
At 30th June, 2024 .	0	6,031,935	658,804	1,447,807	1,447,115	2,554,185	0		12,139,846
Depreciation		1,692,513	1,623,730	365,683	3,424,388	483,287	0		7,589,601
Disposals	-								
Impairment	-								
Transfer/Adjustment	-								

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Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers & Accessories.	Plant and equipment	Capital Work in progress	Intangible assets	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs
At 30 th June 2025 (current year)	-	7,724,448	2,282,534	1,813,490	4,871,503	3,037,472	0		19,729,447
Net Book Values.									
At 30 th Jun 2024 (previous year)	15,000,000	84,625,647	11,094,836	2,310,708	13,616,300	4,645,232	2,496,350		133,789,073
At 30 th Jun 2025 (current year)	15,000,000	82,933,134	13,261,106	2,441,784	10,658,912	4,620,915	25,619,367	1,000,000	155,535,218

[Include Brief Description of WIP as A Footer]

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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). No assets were revalued by any professional valuers on 30.06.2025. No amounts were adopted in the financial statements on 30.06.2025

32 (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.	15,000,000		15,000,000
Buildings.	90,657,582		
Plant And Machinery.	7,199,417		
Motor Vehicles including Motorcycles.	11,753,640		
Computers and Related Equipment.	15,063,415		
Office Equipment, Furniture, And Fittings.	3,758,515		
Work in progress.			
Total	2,496,350		

33.Intangible Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Cost		

34.Investment Property

Description	2024/2025	2023/2024
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-

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Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Belgut tti should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

35. Biological Assets

	2024/2025	2023/2024
	Kshs	Kshs
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others (Specify)	-	-
Total	-	-

(Provide the necessary disclosures)

36. Trade and Other Payables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Trade payables	4,446,887		1,394,491	
Fees paid in advance				
Salary deductions				
Third-Party Payments				
Other Payables				
Total Trade and Other Payables	4,446,887		1,394,491	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	0	%	0	
1-2 years	0	%	0	
2-3 years	0	%	0	
Over 3 years	0	%	0	
Total (to tie to totals above)	0	%	0	

37. Refundable Deposits from Customers/Students

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	-		-	
Unallocated bursary	441,507		441,507	
Unallocated scholarship	3,316,325			

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Unallocated capitation	3,349,375	3,349,375		
Total deposits.	7,107,207.00	3,790,882.00		
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	3,316,325.00	46.7%	3,349,375.00	88.4%
1-2 years	3,349,375.00	47.1%	441,507.00	11.6%
2-3 years	441,507.00	6.2%	-	%
Over 3 years	-	%	-	%
Total (to tie to totals deposits above)	7,107,207	100%	3,790,882.00	100%

(These are monies received but no list attached to warrant disbursement to students)

38.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	-	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-	-
Total Provisions	-	-	-	-	-

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39. Finance Lease Obligation

Description	2024/2025	2023/2024
	Kshs	Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

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

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

40. Deferred Income

Description	2024/2025	2023/2024
	Kshs	Kshs
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

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The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions during the year	-	-	-	-
Transfers to capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	-	-	-

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

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2024/2025	2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

Belgut 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:

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Description	2024/2025	2023/2024
	Kshs	Kshs
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (Post- Retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

Recognition of Retirement Benefit Asset/ Liability

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

Description	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)	-	-

b) Amounts recognised in the Statement of Financial Position

Description	2024/2025	2023/2024
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others (<i>specify</i>)	-	-
Net asset or liability arising from defined benefit obligation	-	-

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The Belgut tti also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Belgut tti's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 6% of gross salary per employee per month. Other than NSSF the Belgut tti also has no defined contribution scheme operated by no Pension Fund. Employees contribute nil while employers contribute nil of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

42. Payments received in advance.

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Fees received in advance	1,356,353.39		6,341,020.00	
Others (Specify)			-	
Total	1,356,353.39		6,341,020.00	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the Total
Under one year	1,356,353.39	100%	6,341,020.00	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	1,356,353.39	100%	6,341,020.00	100%

43. Borrowings

Description	2024/2025		2023/2024	
	Kshs		Kshs	
Balance at beginning of the year	-		-	
External borrowings during the year	-		-	
Domestic borrowings during the year	-		-	
Repayments of external borrowings during the year	-		-	
Repayments of domestic borrowings during the year	-		-	
Balance at end of the year	-		-	

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43 a) Analysis of External and Domestic Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
External borrowings		
Dollar denominated loan from organization'	-	-
Sterling pound denominated loan from organization'	-	-
Euro denominated loan from zzz organization'	-	-
Domestic borrowings	-	-
Kenya shilling loan	-	-
Total balance at end of the year	-	-

43 b) Breakdown of Long and Short-Term Borrowings

Description	2024/2025	2023/2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

(NB: the total of this statement should tie to note 44 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

44. Non-Current Provisions

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

(NB: The current portion deducted in this note should tie to line on current portion transferred from non- current provisions under note 38)

45. Service Concession Arrangements

Description	2024/2025	2023/2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount		
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year		

46. Social Benefit Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	=	=
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	--
Bursary social benefits	-	-
Total	=	=
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

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47. Cash generated from operations.

Surplus for the year before tax	2024/2025	2023/2024
	Kshs	Kshs
Adjusted for:	18,903,394.55	7,183,360.30
Depreciation	7,589,601.00	3,571,664
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Miscellaneous/Other Income	-	600,950.00
Other payment	(679,739)	(284,500.00)
Working Capital Adjustments	-	-
Increase in Inventory	-	-
Increase in Receivables	-	-
Increase in Deferred Income	-	-
Increase in Payables	-	-
Increase in Payments received in advance	-	-
Net Cash Flow from Operating Activities	25,813,256.55	11,071,474.30

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

48. Financial Risk Management

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

(i) Credit risk

The Belgut tti 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 Belgut tti'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 (previous year)				
Receivables from exchange transactions	46,523,240.02	46,523,240.02	17,115,503.00	-
Receivables from non-exchange transactions	14,928,575.00	14,928,575.00	14,026,000.00	-
Bank balances	3,810,164.05	3,810,164.05	16,569,923.75	-
Total	65,261,979.07	65,261,979.07	47,711,426.75	-
At 30 June 2025 (current year)				
Receivables from exchange transactions	262,620,084.63	262,620,084.63	46,523,240.02	-
Receivables from non-exchange transactions	7,871,575.00	7,871,575.00	14,928,575.00	-
Bank balances	287,674.60	287,674.60	3,810,164.05	-
Total	270,779,334.23	270,779,334.23	65,261,979.07	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the Belgut tti'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 Belgut tti has significant concentration of credit risk on amounts due from xxxx

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

The table below represents cash flows payable by the Institution 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 30th June 2023 (previous year)				
Trade Payables	108,380.00	487,308.00	753,303.00	1,394,491.00
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	108,380.00	487,308.00	753,303.00	1,394,491.00
At 30th June ,2025 (current year)				
Trade Payables	1,350,785.00	339,604.00	2,756,498.00	4,446,887.00
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	1,350,785.00	339,604.00	2,756,498.00	4,446,887.00

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(iii) Market risk

The Belgut tti has put in place an internal audit function to assist it in assessing the risk faced by the Belgut tti 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 Belgut tti'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.

Belgut tti'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 Belgut tti's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The Belgut tti 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 Belgut tti'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)	-	-	-

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

Foreign currency sensitivity analysis

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

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

b) Interest rate risk

Interest rate risk is the risk that the Belgut tti'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 Belgut tti 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 ni. A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs nil

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iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	313,889,821.22	27,160,166.05
Capital Reserve	103,924,330.62	168,620,150.97
Total Funds	417,814,151.84	195,780,317.02
Total Borrowings		-
Less: Cash and Bank Balances	287,674.60	3,810,164.05
Net Debt/(Excess Cash and Cash Equivalents)	417,526,477.24	191,970,152.97
Gearing	99.93%	98.05%

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49.Related Party Balances

Nature of related party relationships

Entities and other parties related to the Belgut tti 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 Belgut tti, holding 100% of the *institution's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Belgut tti, both domestic and external. Other related parties include:

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

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

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

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

50. Segment Information

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

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50. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024/2025	2023/2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case against the institution	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

(Give details)

51 Capital Commitments

Capital Commitments	2024/2025	2023/2024
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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

52.Events After the Reporting Period

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

53.Ultimate and Holding Belgut tti

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

54.Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations 417,814,151.84

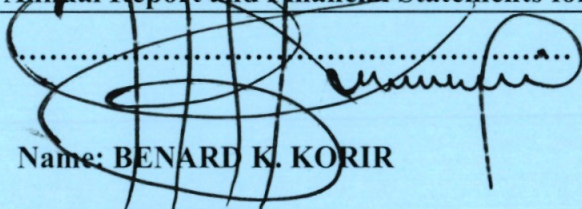
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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)
		Working down the clock to ensure issues raised are implemented and resolved within a resonable time.	Resolved	2025/2026

Guidance Notes:

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

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Name: BENARD K. KORIR

Accounting Officer
PRINCIPAL

Date 08.12.2025.



Appendix II: Projects Implemented by Belgut TTI

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-Belgut tti Confirmation Letter

Name of transferring: MINISTRY OF EDUCATION-STATE DEPARTMENT OF TVET

Name of beneficiary: BELGUT TECHNICAL TRAINING INSTITUTE

Confirmation of amounts received by Belgut Technical Training Institute as at 30th June ,2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	18.02.2025	6,018,425.00		6,018,425.00	Capitation
RCPT000278	20.09.2024	4,783,281.80	-	4,783,281.80	Scholarship
RCPT000169	20.09.2024	30,476,355.40	-	30,476,355.40	Scholarship
RCPT000168	20.09.2024	10,521,222.40	-	10,521,222.40	Scholarship
RCPT000279	23.09.2024	3,316,325.00	-	3,316,325.00	Scholarship
RCPT000167	25.09.2024	2,834,800.80	-	2,834,800.80	Scholarship
Total		51,931,985.40		51,931,985.40	

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

Head of Accounts Department - Disbursing Institution:
Name Sign Date:08.12.2025

Head of Accounts Department – Beneficiary Institution:
Name: cpa Bii K. Wesley Sign Date: 08.12.2025

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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		
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	--	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	--	-	-	-	-	-	-	-	-

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
-	-	-	-	-	-	-
-	-	-	-	-	-	-

