

REPUBLIC OF KENYA




Enhancing Accountability

REPORT

OF

PARLIAMENT
OF KENYA
LIBRARY

 THE AUDITOR-GENERAL	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 17 JUN 2025	DAY: TUESDAY ON
TABLED BY:	THE LEADER OF THE MAJORITY PARTY
CLERK-AT THE TABLE:	WILLIS OBIED

NKABUNE TECHNICAL TRAINING INSTITUTE

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



NKABUNE TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

NKABUNE TECHNICAL TRAINING INSTITUTE

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1. Acronyms and Definition of Key Terms

A. Acronyms

BoG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TVET	Technical Vocational and Education Training
DoB	Date Of Birth
BSC	Bachelor of Science
MSC	Master in Science
BoE	Bachelor of Education

B. Definition of key terms

Fiduciary Management - Key management personnel who have financial responsibility in the entity

Comparative Year- The prior period

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2. Key Entity Information and Management

(a) Background information

The NKABUNE TECHNICAL TRAINING INSTITUTE is governed by the TVET Act 2013. The entity is domiciled in Kenya. The institute is under the Ministry of Education.

It has several departments namely Food and beverage, Electrical and electronics, Liberal studies, Business, Information Communication Technology, Clothing Technology, Procurement and Finance Department

(b) Principal Activities

The principal activity is training.

Our vision is to be a centre of excellence in provision of technical and Vocational Education and Training TVET.

Our mission is to provide TVET and produce skilled manpower that can compete favourably in the local and international labour market as well as creating self-reliance that suits current market changing technology

Our core values are excellence and teamwork, innovation and creativity, professionalism and ethics and corporate governance

(c) Key Management

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

- Board of Governors members
- Accounting officer/ Principal
- Management
- Head of departments

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(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Peninah Ngina Musili
2.	Deputy Admin	Stephen Kinyua
3.	Deputy principal Academics	Mary Ngoci
4.	Registrar	Julius Nganga
5.	Dean of students	Isaack Mbaabu
6.	Head of Finance	Zachary Doris Kinya

(e) Fiduciary Oversight Arrangements

- **Audit and risk committee activities**- Ensure there are proper internal controls to safeguard institute assets and financial resources.
- **Academic/Welfare committee** activities include overseeing the academic performance and welfare of students ,staff and BOG members
- **Finance and Human Resource committee:** activities include planning and budgeting ,implementation and evaluation of planned activities and recruitment of new staff

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KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

Nkabune Technical Headquarters

P.O. Box 330-60200

Off Mate Road

Meru KENYA

(g) Entity Contacts

Telephone: (254) 719186814,733777788

E-mail: nttinkabune@gmail.com

Website: www.nkabunetti.ac.ke

(h) Entity Bankers

1. Cooperative Bank

P.O. Box Meru 60200

Meru, Kenya

2. Kenya Commercial Bank

P.O box Meru

3. National Bank

P.O Box 75104

Meru Branch

(i) Independent Auditors

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200



Nairobi, Kenya

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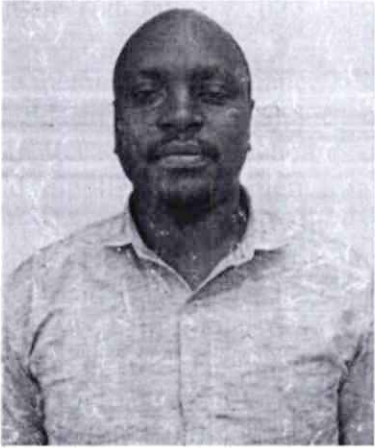


3. The Board of Governors

S/n	Member	Profile
1.	<p>Mr.Samson Raiji.</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving First Term</p> <p>Mr. Samson Raiji is the Chairman of the Board. He is a PhD finalist in Corporate Governance and Corporate Communications at JKUAT (2025). Raiji is a lecturer, trainer and consultant in Corporate Communication and Governance. Conducted several trainings on interpersonal relations, enhancing communication skills, building public relations and attitude change with training institutions such as ExcellAfrica Development Center(EADC), FOSCORE, Upskill development Institute among others. He is currently a Lecturer at Chuka University from 2009. He worked as a Corporate Communications Manager at Kenya Industrial Research, Development Institute, KIRDI from 1995 to 2009. He also worked as the Information Manager at Kenya News Agency from 1989 to 1994 and as an Editor at Rural Newspaper from 1992 to 1993.</p> <p>He is an Associate Member, Public Relations Society of Kenya (PRSK).</p> <p>Official Residence : Nairobi</p>
2.	<p>Ms Jenu John</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving First Term</p> <p>Jenu John is the Chair Academic Committee. She is currently undertaking PhD in Strategic Information Systems at the University of Nairobi. She has a Masters in Information Systems from University of Southern Queensland (2006), Bachelor of Technology in Computer Engineering from Cochin University of Science and Technology (2000), Diploma in Wireless Application Protocol Informatics (2001). She is currently Director, Directorate of Virtual and Blended Learning at Kenya Methodist University from 2007. She was the Chair of Department, Department of Computer Science at Kenya Methodist University from 2008-2014.</p> <p>Official Residence : Meru</p>

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<p>3.</p>	<p>Elias Mutwiri</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving First Term Elias Mutwiri is a member of the Finance/HR Committee. He holds an MBA in Strategic Management from JKUAT and a Bachelor's degree in Purchasing and Supplies Management from the same institution (2013). He is currently the Cooperative Business Development Officer in Meru County. He also worked as a Procurement and Logistics Officer at Southern Engineering Co. LTD (SECO) Alpha Group in 2013. He trained with the Public Procurement Oversight Authority (PPOA) in 2013 and the Kenya Maritime Authority (KMA) 2011. Official Residence : Meru</p>
<p>4.</p>	<p>Julius Mbaabu M'Inoti</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving Second Term Julius Mbaabu M'Inoti is the Chair Finance & HR Committee. He holds a Bachelors of Law from the University of Nairobi (1987) and Diploma in Legal Sytems from Kenya school of Law (1988). He is a member of the Law Society of Kenya and a Notary Public and Commissioner for Oaths. He is a managing partner Mbaabu M'Inoti & Co. Advocates. He has excellent Leadership skills and employing candid judgements on situations. Official Residence : Meru</p>
<p>5.</p>	<p>Mrs Peninah Ngina Musila</p> 	<p>Peninah Musila is the Principal/ Secretary Board of Governors. She is currently pursuing PhD in Applied Mathematics at Chuka University. She has Masters in Applied Mathematics from Meru University of Science and Technology (2019) and a Bachelors Degree in Education Sciences from Kenyatta University (1997). She is currently the Principal Nkabune Technical Training Institute from June 2024. She worked as a Principal at Mbeere North Technical Training Institute from June 2022 to June 2024. She was the Principal at Mitunguu Technical Training Institute from 2018 to 2021. She was also a trainer at the same Institution from 2016 to 2017. She also worked as the Deputy Principal Uruku Girls Secondary School from 2014 to 2016 and as a teacher at Muthetheni Girls from 1998 to 2005.</p>

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		Official Residence : Meru
6.	<p>Mrs Doreen Gakii George</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving Second Term Doreen Gakii George is a Member of Human Resource and Finance Committee. She is a Certified Public Accountant with sound excellence in Financial Reporting, strategic Budget and Financial Planning. She holds a Bachelor of Commerce (Finance Option) from Meru University of Science and Technology (2015). She is a member of ICPAK. She is currently the Chief Accountant – Diocese of Meru Trustees from 2019. She worked as a Finance Manager at St. Theresa Mission Hospital Kiirua from May 2014 to December 2018 and as an Accountant at the same Institution from 2011 to April 2014 Official Residence : Meru</p>
7.	<p>Adan Ibrahim</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving First Term Adan Ibrahim is a Member Audit Committee. He has a Bachelor of Economics and Statistics – second Class Honors (Upper Division) from the University of Nairobi. (2019). He has been the Director of Onetel Limited since 2020. He worked as an assistant project manager, humanitarian response and livelihood project in Wajir South sub-county from 2018-2019 and as a Sales Manager at Wireless Netzone Ltd from 2014-2018. Official Residence : Nairobi</p>
8.	<p>Mrs Maureen Njeri Kinyanjui</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving Second Term Maureen Njeri Kinyanjui is the Chair Audit Committee. She is an effective Quantity Surveyor with 11 years (two prior to registration and nine post registration) of experience in practice; committed, co-operative, decisive and can work under pressure to achieve desired targets. She holds Master of Arts in Construction Project Management from University of Nairobi (2023), Bachelor of Quantity Surveying, Hons - Second Class Upper Division from University of Nairobi (2017) She is Consultant Quantity Surveyor and Project Manager from 2019. She also worked as a Quantity Surveyor at the Cooperative Bank of Kenya from 2018 to 2019. She worked as an Assistant Quantity</p>

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		<p>Surveyor at Emjay consultants Limited from 2011-2013. She is a Member of the Institute of Quantity Surveyors of Kenya (IQSK). Official Residence : Nairobi</p>
9.	<p>Hillary Jumba</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving First Term Hillary Jumba is a member of the Academic committee. He is currently undertaking PhD in Information and Knowledge Management; The Technical University of Kenya (Proposal stage). He has a Master of Science in Information Science from Kenyatta University (2015) and a Bachelor of Science in Information Science from Moi University (2007). He is currently the Senior Assistant Registrar (Examinations and Timetabling) – Maseno University from April 2024. He also worked as a Senior Assistant Registrar (Administration, Planning and Development) – Kenya Methodist University (KeMU) from 2021 to 2024. He worked as a Assistant Registrar Academics (Admissions, Registration of students & Timetabling) – Kenya Methodist University (KeMU) from 2020 to 2021. He possess strong management and leadership skills. Official Residence : Maseno</p>
10.	<p>Mary Njugi</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving First Term Mary Njugi is the PS Alternate member. She is an experienced Educationist with 35 years of experience, having worked with the Teachers Service Commission for 16 years and 19 years in Technical Vocational Education. She holds a Master's in Education from Kenyatta University (2006) and a Bachelor of Arts from the same institution (1990). She is competent in liaising with stakeholders to implement projects and programs. She is currently the Director Vocational Technical Education from 2024. She worked as a Deputy Director Vocational Technical Education from 2018 to 2024, Vocational and Educational Training Officer from 2007 to 2018 and as a Secondary School Teacher/Deputy Principal from 1990 to 2006. Official Residence : Nairobi</p>

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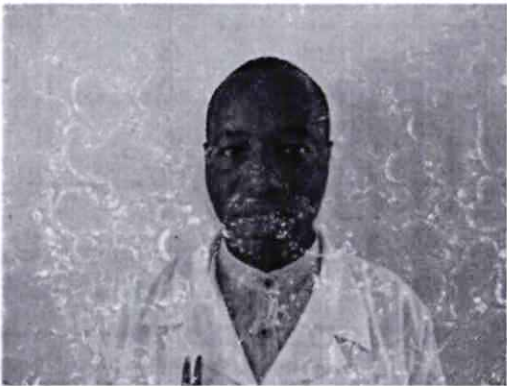

4. The Management Team

<p>1. Mrs Peninah Ngina Musili</p> 	<p>DOB: 14/9/1973 Gender: Female Ethnicity: Kamba Contact: 0725849983 Work Experience: 27 years Date of Current Appointment: 19/7/2022</p>	<p>Principal</p>
<p>2. Mr Stephen Kinyua</p> 	<p>DOB: 1974 MBA(Finance) - KU BCOM –Accounting - KU CPA III, CSIA II</p>	<p>Deputy Principal Administration</p>
<p>3. Ms Mary Ngoci</p> 	<p>DOB: 1967 BSC. Computer Information Systems Dip. Clothing Textile</p>	<p>Deputy Principal Academics</p>
<p>4. Julius Nganga</p>	<p>DOB: 1974</p>	<p>Registrar</p>

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	MSC. Data Communication and Networking	
5. Isaac Mbaabu 	DOB:1988 BSC:Electrical & Electrical Engineering. Pedagogy-Power Option	Dean of Students
6.CPA Doris Kinya Zachary 	DOB:1984 Bachelor of Commerce, Finance Option ,CPAK	Senior Finance Officer

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5. Chairman's Statement

Nkabune TTI is an integral part of the development of the Kenyan society. As one of the registered provider of vocational education and training. Our positioning statement "Technical Skills for Self Reliance" reinforces our focus on providing skilled graduates, innovative workforce development solutions for businesses and industry and strong vocational education outcomes for everyone. We are an inclusive institution that provides learning opportunities for all those eligible.

Our staff is well qualified, responsive and committed to providing quality services. Our industry, community and Government partnerships are strong and mutually beneficial. We foster professional and social connections for our trainees and the society at large. In a changing external environment these connections are becoming more valuable as the society looks to our institution for relevant, demand-driven training courses and services.

I am not only proud of the pathways we offer young people from schools to employment and lifelong learning, but also the services we provide to businesses and industry to help them achieve their business goals. Additionally, I delight with the quality we bring to vocational education which has been recognized through our trainees.

Our Strategic plan sets out how Nkabune TTI will:

- Strengthen the fabric of our community and society at large.
- Be positioned to respond to local, national and international changes.
- Deliver what is needed to build workforce solutions.
- Be able to take advantage of the opportunities in a competitive environment.
- Have the ability to respond to diverse community and industry needs.
- Maintain quality of excellence.

I am confident that Nkabune TTI will achieve higher status and leadership in Technical, Vocational Education and Training and will continue to grow as we move towards the achievement of Kenya's Vision 2030.

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We look forward for continued participation of our key stakeholders especially the Ministry of Education on timely resource support to ensure efficient implementation of the set out strategies in support of the realization of vision 2030.

Nkabune Technical Training Institute Board of Governors was inaugurated on 3rd February 2023. The Board has three Committees i.e.

1. Finance/Human Resource
2. Academic/welfare
3. Audit and Risk committee

Members of the Board comprises of:

- | | |
|--------------------------|--|
| 1. Samson Raiji | BOG Chairman |
| 2. Mary Njugi | PS Alternate member – Audit/Academic committee |
| 3. Jenu John | BOG member- Academic Committee |
| 4. Mr Julius Mbaabu | BOG member –Finance Committee |
| 5. Doreen Gakii | BOG member – Finance Committee |
| 6. Elias Mutwiri | BOG member- Finance Committee |
| 7. Maureen Njeri (Ms.) | BOG member- Audit/Academic Committee |
| 8. Adan Ibrahim | BOG member- Audit Committee |
| 9. Hillary Amudavi | BOG member – Audit/Academic Committee |
| 10. Peninah Ngina Musili | Principal/BOG – Secretary |

Key activities carried are:

1. Recruitment of additional staff
2. Improvement of academic performance
3. Performance contracting setting of targets, evaluation, negotiations and follow up on implementation.

Challenges

The Institute has a challenge with the road connecting to the Institute which is felt more during the rainy season because the road is impassable. This has greatly affected the growth of the Institute in terms of enrolment. The Institute has state of the art equipment which is not being utilized fully due to accessibility to the Institute. It becomes even more difficult to manage sick students at night, academic trips, and conduct KNEC exams and to offer evening classes.

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Street lights to light up the areas since students have rented hostels from the community. Students may fail to enrol due to security issues especially if they have to do individual studies in the library at night.

Prepared by _____



Date: 11/04/2025

Samson Raiji

B.O.G. Chairman

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6. Report of the Principal

Nkabune Technical Training Institute is a Technical Institute which started way back in 1964 and is located in Imenti North constituency in Meru County. In 1967 the Ministry of Education requested the Sisters to start a grant –aided Commercial technical school for girls. This opened in 1968 at the current Gitoro Primary School, but due to lack of sufficient land for expansion the Sisters had to move the school to its present location at Nkabune on an 8.21 acre- piece of land donated by the local community.

In 1986, Nkabune Technical and Commercial Girls, among eighteen (18) other technical secondary schools was converted to technical training institutes. The courses that were offered then were Secretarial and Accounts Clerks' alongside form three and four, which were phased out in 1987. Other courses like CPA Part one, Garment Making and Food and Beverage at Craft level were introduced in 1988.

Currently the students' enrolment is at 1730. The institute has ninety two (92) trainers where fifty five (55) are employed by public service commission and thirty seven (37) employed by board of governors. The non-teaching staff are Thirty-two (32) in number. Currently the courses offered are business technical education programmes (BTPEP), technical education programmes (TEP), from Artisan, Certificate and Diploma level. The Institute recently started competency based education training (CBET) level four and five.

Academic Departments

The departments in the Institute Include:

1. Engineering (electrical, automotive, building technology, plumbing) – with course levels at Artisan, Certificate and Diploma
2. Hospitality (clothing, food and beverage, hair and beauty therapy) – with course levels at Artisan, Certificate and Diploma, CBET level four and five
3. Business (secretarial, management) – Certificate and Diploma
4. Liberal Studies Department – Certificate and Diploma
5. Computing and informatics – Certificate and Diploma

The source of student's population is from national youth service (NYS) sponsored students, self-sponsored and some partly -sponsored by other organizations.

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The Institute has received equipment from the Ministry of Education in the following departments:

1. Engineering (Electrical and Electronics)
2. Hospitality (clothing technology, hair and beauty)

The Institute has outsourced accommodation from the community for the fully sponsored students.

Proposed projects/activities for 2023/2024 FY

1. Recruitment of additional staff.
2. Improvement works – renovations
3. Equipping workshops.
4. Construction of students' Workshops

The Institute has been able to carry out its daily operations, fund the proposed projects within the year and pay its suppliers.

Sources of funds

1. Capitation grants from Government.
2. Fees from students
3. HELB loans to students
4. NYS fees for students
5. Production units

Challenges

1. Water is inadequate since supply is from a community project which is normally supplied intermittently.
2. This also is a great challenge because some of the courses such as Food and Beverage require adequate supply of water every day due to its practical oriented nature.
3. Inadequate infrastructure to accommodate the growth of enrolment, this includes hospitality complex, classrooms and workshops.
4. Lack of adequate trained teaching staff
5. Delayed capitation grants from MOE and Helb loans for students for students.

Way forward

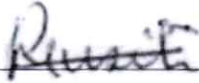
1. We have requested for more trainers from the Ministry.
2. We are enhancing our production units for financial sustainability.

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Prepared by **Penninah Ngina Musili (Mrs.)**



Date 11/04/2025

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7. Statement of Performance against Predetermined Objectives

Nkabune Technical Training Institute has 4 strategic pillars and objectives within its Strategic Plan for the FY 2023/2024- 2026/2027. These strategic pillars are as follows:

Pillar 1: **Education and Training**

Pillar 2: **Research and Innovation**

Pillar 3: **Student Welfare**

Pillar 4: **Institutional Transformation**

Nkabune Technical Training Institute develops its annual work plans based on the above 5 pillars.

Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Nkabune Technical Training Institute achieved its performance targets set for the FY 2023/2024 period for its 4 strategic pillars, as indicated in the diagram below:

Performance Indicator	Objective	Pillar
Demand for skills in the market	Review training programmes	Education and Training
	Develop and adopt priority market-driven training programmes	
	Diversify modes of implementation of training programmes.	
	Strengthen quality assurance mechanisms for training programmes	
Knowledge gaps and demand for information	Strengthen framework for research	Research and Innovation
	Build capacity to undertake research	
	Leverage on ICT	
	Strengthen Partnerships and Collaborations	
Variegated Teaching and Learning capacity	Enhance academic and technical staff development	Research and Innovation
	Enhance ICTs oriented teaching and learning methods	
	Improve teaching and learning resources	

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Performance Indicator	Objective	Pillar
	Improve the pedagogical skills among academic staff Improve the library and other resources. Harmonize content delivery methodologies	
Physical Infrastructure	Expand and modernize the required physical facilities and infrastructure. Promote efficient and rational utilization of available facilities and equipment. Maintain of existing facilities, equipment and infrastructure.	Institutional Transformation
Trainee Enrolment and Welfare	Expand trainee enrolment Improve trainee welfare Promote self-employment among the graduates Mobilize scholarships and any other support for trainees Enhance Gender and disability mainstreaming.	Student Welfare
Institutional Governance and Management Systems	Comply with regulatory and statutory requirements Improve the governance structures Improve the efficiency and effectiveness of the overall organization and management. Strengthen management of training programmes Review of relevant policy documents Enhance institutional ERP Strengthen trainees' organization and leadership	Institutional Transformation

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Performance Indicator	Objective	Pillar
	Enhance community participation and collaboration	
Marketing, Public Relations and Linkages	Enhance Institutional branding.	Institutional Transformation
	Publicize Institute's programmes, activities and promote its public image	
	Establish links with local, national and international partner institutions.	
	Increase links with industries	
	Enhance corporate social responsibility programmes	
	Enhance the Institution's website.	
Financial Resources Management	Diversify revenue streams	
	Institute austerity measures	
	Strengthen internal control and reporting systems	
Human Resources Management	Review and implement staff establishment	
	Enhance staff motivation and retention	
	Implement performance management systems	
	Establish an appropriate staff development programme	
	Improve staff welfare.	
Quality Assurance and Control	Review and implement quality management system	
	Monitor adherence to quality standards	
Health Management Services	Intensify response to HIV & AIDS, cancer, and other lifestyle diseases.	Student Welfare
	Promote mental wellness	

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Performance Indicator	Objective	Pillar
	Strengthen psycho-social assistance programs	
Environmental Management Services	Enhance environmental management and waste disposal services	Institutional Transformation
	Embrace greening Kenya initiative	
	Invest in green energy technology and productivity	
ICT Strategies	Review and implement the ICT policy	
	Enhance appropriate information systems.	
	Implement and monitor appropriate training programmes for users.	
	Enhance ICT capacity and infrastructure	

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8. Corporate Governance Statement

As a Board, we believe that a strong corporate governance framework and culture translates to a strong institute that delivers to its mandate. According to the TVET Act, 2013 members of the board of governors are appointed by the Cabinet Secretary from the ministry of education from the following areas;

- a)-Leadership
- b). Financial management
- c). Industry
- d). Technology
- e). ICT
- F). Engineering

The board also seeks other committees to carry responsibility required in the governance of the institute. Nkabune Technical Training Institute Board of Governors was inaugurated on 3rd February 2023 and underwent induction training on 22nd to 25th March 2023 at Kenya School of Governance - Embu The Board has three Committees i.e.

1. Finance/Human Resource
2. Academic/welfare
3. Audit and Risk committee

Members of the Board comprises of:

- | | |
|--------------------------|--|
| 1. Samson Raiji | BOG Chairman |
| 2. Mary Njugi | PS Alternate member – Audit/Academic committee |
| 3. Jenu John | BOG member- Academic Committee |
| 4. Mr Julius Mbaabu | BOG member –Finance Committee |
| 5. Doreen Gakii | BOG member –Finance Committee |
| 6. Elias Mutwiri | BOG member- Finance Committee |
| 7. Maureen Njeri (Ms.) | BOG member- Audit/Academic Committee |
| 8. Adan Ibrahim | BOG member- Audit Committee |
| 9. Hillary Amudavi | BOG member – Audit/Academic Committee |
| 10. Peninah Ngina Musili | Principal/BOG – Secretary |

NKABUNE TECHNICAL TRAINING INSTITUTE

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For the Year ended 30th June 2024

Key activities carried are:

The operations of the Board are guided by the Board of Governors Charter which defines roles and responsibilities as well as functions and structures in a way that supports members in carrying out their strategic oversight function which includes:

1. Recruitment of additional staff
2. Improvement of academic performance
3. Performance contracting setting of targets, evaluation, negotiations and follow up on implementation, among others

The following committees have been in the institute.

Academic /Welfare

1. Maureen Njeri
2. Hilary Amudavi
3. Jenu John-Chairperson

Finance /Human Resource

1. Julius Mbaabu – Chairman
2. Doreen Gakii
3. Elias Mutwiri

Audit Committee

1. Maureen Njeri-Chairperson
2. Adan Ibrahim
3. Mary Njugi

The following are the board functions as out lined in the TVET Act.

1. Overseeing the conduct of education and training in the institutions in accordance with the provisions of TVET Act.
2. Promoting and maintaining standards quality and relevance in advocating and training in the institution in accordance with the act and any other written law.
3. Administering and managing the property of the institution
4. Developing and implementing the institutions strategic plan
5. Preparing annual estimates of the revenue and expenditure of the institution
6. Receiving on behalf of the institution fees, grants and other monies.

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7. Determining fees payable and prescribing conditions under which fees may be remitted in part or whole in accordance with the guideline developed under the provisions of this act.

During the year 2023/2024 the table below shows the number of board and committee meetings held

Meetings	No of board meetings	Meeting held
Full board	4	4
Academic committee	4	4
Finance /HR Committee	4	5
Audit committee	4	4
Total	16	17

Conflict of interest: Nkabune TTI is committed to the highest standards of transparency, probity, and accountability. It seeks to conduct its affairs in a responsible manner considering the requirements of the law and the human standards fostered by the Institute. Guided by a conflict of interest policy, all members of the institute community, from the institute

Teaching and non-teaching staff are bound by this policy. Nkabune Institute perceives conflict of interest to be wherever there is personal, professional, and commercial or financial interests of activities outside of the Institute, which have the possibility either in actuality or Appearance.

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For the Year ended 30th June 2024

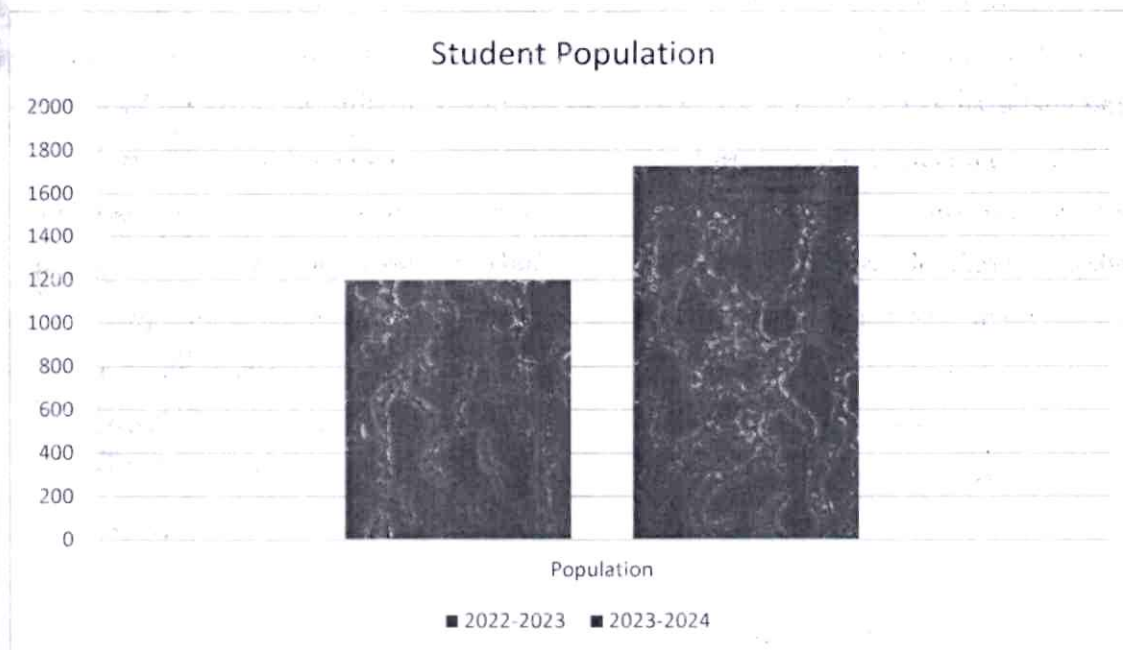
9. Management Discussion and Analysis

SECTION A

Nkabune Technical Training Institute is ISO 9001 -2015 Certified and has a Quality Management System in place and the management has put in place a system to handle the following areas in the process of ensuring there are proper internal controls in place.

1. Financial management
2. Student registration
3. Boarding and accommodation
4. Examination management
5. Procurement and store control
6. Internal audit department

During the year the student enrollment increased from student population of 1200 to 1730 students. The management has recruited additional staff in both academic and support staff to ensure smooth learning of operations. During the year the management developed a Human Resource policy and motivational policy documents to handle staff issues.

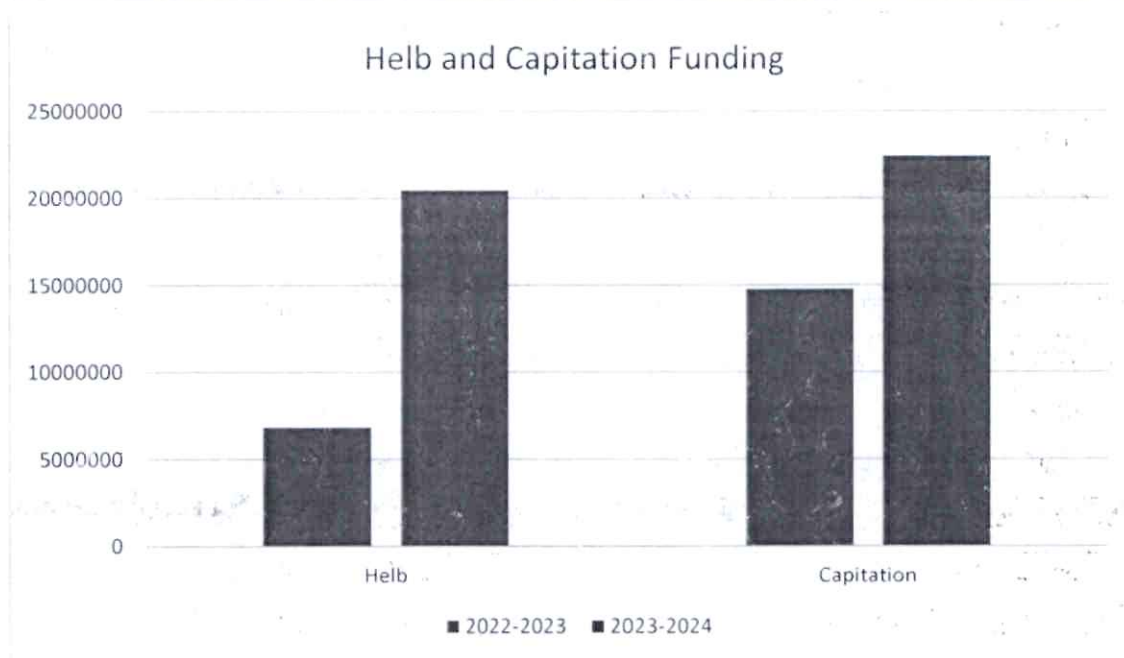


The institute has received a lot of support from the government through the ministry of education by receiving capitation, HELB funds and state of the art equipment.

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During the year the management constructed one tuition block to provide more space for teaching classes and an admission block to provide enough offices for the institute.

The institute has constructed ablution block for students during the year.

During the year the institute faced the following challenges

1. A two kilometer road to the institution is not tarmacked and it's impassable during the rain seasons, however the management is engaging the county government of Meru to address the issue. There has been inadequate supply of water to the institute and the management is in the process of drilling a bore to address the challenge
2. The Institute has no enough public service lecturers thereby incurring huge costs on personnel to hire Board of governor's trainers.

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SECTION B

compliance with statutory requirements

Nkabune Technical Training Institute complies with all government legislations and regulations

SECTION C

Key projects and investment decisions the entity is planning/implementing.

The procurement process of the ablution block was initiated

SECTION D

Major risks facing the entity

The major risk facing the Institution that has affected fee payment by students is the hard economic time faced by the parents.

SECTION E

Material arrears in statutory/financial obligations

There are no materials arrears or financial obligation between the entity and any financial institution or entity

SECTION F

The entity's financial probity and serious governance issues

The entity is developing finance policy manual to guide in governance of institute resources.

10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

Nkabune TTI contributes significantly to Kenya's growth, prosperity and community cohesion. The Institute is a training provider of choice for a growing number of Trainees from within and outside the Meru region. Nkabune TTI is focused on achieving excellent outcomes for our trainees and will achieve this by being externally focused, providing quality education and training solutions, and being cost effective, flexible and responsive to market needs.

Strategies

1. Continue to develop and enhance partnerships with government, industry, business and the community that support Nkabune TTI's business objectives through provision of industry/enterprise relevant training
 2. Research, identify and develop growth streams of business for the Institute
 3. Develop high quality recognition services that meet the needs of our trainees and clients
 4. Benchmark our services against those of our competitors to ensure continuous improvement and to acquire and maintain leadership position
- Invest in ICT capability to support service delivery that meets market expectations

Environmental performance

Nkabune TTI is committed to pursuing forward thinking partnerships with industry, the community, and government by stimulating collaborative approaches to industry development, actively engaging with community members, and increasing the ability to communicate and partner effectively with government and other key sectors of the society.

Outcome 1

Nkabune TTI forms productive and sustained partnerships with industry

Strategies

1. Provide training in relationship management for staff to enhance current relationships and build new relationships
2. Partner with other organizations in a way that creates a competitive advantage
3. Build significant relationships with private registered training organizations, international organizations, higher education providers, business/industry enterprises and cultural institutions
4. Strengthen external networks to enable the Nkabune TTI meet industry needs and expectations

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Employee welfare

The Institute HR Policy was made in 2019. Through it, the Institute seeks to continue being sustainable by combining making the most compatible hire and then maintaining an environment that nurtures that hire through the long term. It requires both efforts to retain our human and intellectual capitals and help them be as productive as possible.

During recruitment, the Institute considers the following:

- The ethos, standards, values, and principles of the Institute;
- The prescribed qualifications for holding or acting in the position;
- The experience and achievements attained by the candidate;
- The conduct of the candidate;
- The need for transparency; and
- Individual performance.

Human Resource policy manual

Nkabune TTI HR manual is designed to attract, motivate and retain competent

Employees who will promote the Institute mission and vision for the short, medium and long-term goals.

Nkabune TTI strongly believes in the need to recognise excellence and effort. In line with this, the institution has an annual performance appraisal system and budgeted annual increments for all staff.

The Institute has an Occupational Safety and Health Act of 2007, (OSHA) committee that ensures employee's safety and compliance to OSHA.

Trainings

The Institute conducts trainings to its staff members holding various job positions for continuous professional development and skills improvement.

During the year we took all HODS for benchmarking to improve their performance and learn new skills.

Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.

Nkabune TTI ensures that the zone is free of corruption. There is anti-corruption committee which oversees that there is no corruption within the Institute. The Institute also offers a competitive platform for new employee's recruitment and also supplies.

- b) Responsible Supply chain and supplier relations-

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The Institute ensure it has followed the procedure laid down in procurement. It ensures that the suppliers have supplied as per the description of goods. To maintain good relation we ensure both parties have adhered to the contract. We also make sure we have paid our suppliers in good time.

c) Responsible marketing and advertisement

Nkabune TTI advertises the courses it offers and when mounting programmes we advertise through various media.

d) Product stewardship

Nkabune TTI carries out activities that promote education through regional and National Extra curricular activities

Corporate Social Responsibility / Community Engagements

The following activities were carried out as part of corporate social responsibility by the Guidance & Counseling department during the period stated above;

➤ Saturday 7th October, 2023- they participated in the Meru Hospice Cancer Walk and gave donations in cash and kind. The Institute played a big role in the donations and even provided a bus for the transportation of the gifts and the trainees and trainers to the occasion. The Hospice Administrator appreciated the kind gesture from the Institution.

➤ 1ST December 2023- They participated in the WORLD AIDS DAY celebrations which were hosted by Meru County.

➤ Saturday 10th February, 2024- They visited Huruma Childrens Home – Nkubu and gave donations in cash and kind. They helped carry out various chores in the home and the administrator really appreciated.

➤ Saturday 8th June, 2024- They visited Tuuru Children's Home – Laare and gave donations in cash and kind. They helped carry out various chores in the home and the Sister in charge really appreciated the kind gesture.

➤ Termly HTC and wellness promotion activities that included cancer screening (breast, Cervical), Body Mass Index, Blood Pressure, Blood sugar levels and Nutritional Assessment to all members of Nkabune TTI fraternity and by extension to their family members.

➤ Termly interactive sessions with other institutions e.g. Meru University of Science and Technology and Tharaka University where they sensitized each other on the need to co-exist well with the surrounding communities.

The community and all the places visited appreciated the visits and the services/ donations rendered.

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On our part, it was a privilege and a humbling experience to be able to give back to the society.

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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, 2024, which show the state of the Nkabune Technical Training affairs.

Principal activities

The principal activities of the entity are training.

Results

The results of the entity for the year ended June 30 are set out on page 1 to 40

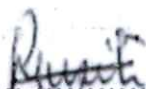
Board of Governors

The members of the Board who served during the year are shown on page xi. During the year 2023/2024 no board members retired, and none were appointed.

Auditors

The Auditor General is responsible for the statutory audit of Nkabune Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of Nkabune Technical Training Institute for the year ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary of the Board

Date:11/04/2025

NKABUNE TECHNICAL TRAINING INSTITUTE

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12. Statement of Board of Governors Members' 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 board members to prepare financial statements in respect of Nkabune Technical Training Institute, which give a true and fair view of the state of affairs of the at the end of the financial year/year and the operating results of for that year/year. The board members are also required to ensure that Nkabune Technical Training Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of Nkabune Technical Training Institute. The board members are also responsible for safeguarding the assets of Nkabune Technical Training Institute.

The board members are responsible for the preparation and presentation of the financial statements, which give a true and fair view of the state of affairs of Nkabune Technical Training Institute for and as at the end of the financial year (year) ended on June 30th, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting year; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements; and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Nkabune Technical Training Institute; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for Nkabune Technical Training Institute financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*). The Board members are of the opinion that Nkabune Technical Training Institute financial statements give a true and fair view of the state of transactions during the financial year ended June 30th, 2024, and of Nkabune Technical Training Institute financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Nkabune Technical Training Institute, which have been relied upon in the preparation of Nkabune Technical Training Institute financial statements as well as the adequacy of the systems of internal financial control.

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For the Year ended 30th June 2024

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

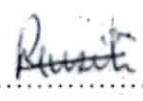
Approval of the financial statements

The Nkabune Technical Training Institute financial statements were approved by the Board on Sept 12th 2024 and signed on its behalf by:

Signature.....

Name: Samson Raiji

Chairperson of the Board

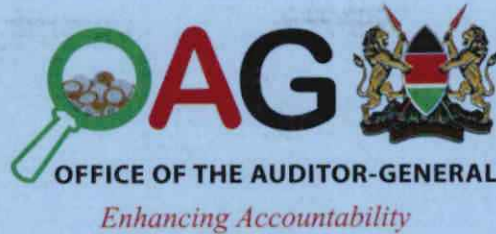
Signature.....

Name: Peninah Ngina Musili

Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NKABUNE TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on 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.
- 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 Nkabune Technical Training Institute set out on pages 1 to 43, which comprise of the statement of financial position at

30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 Nkabune Technical Training Institute as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Misstatement in Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.4,681,975 which includes a balance of Kshs.302,297 held in a commercial bank as disclosed in Note 18 to the financial statements. Review of the bank reconciliation statement for the account revealed unpresented cheques amounting to Kshs.471,172 that had lasted more than six (6) months and had therefore become stale. However, for unexplained reasons, the stale cheques were not written back to the cash book.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.471,172 could not be confirmed.

2. Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.125,352,373 which includes student debtors balance of Kshs.125,268,373 as disclosed in Note 19 to the financial statements. However, the students' debtors had been outstanding for over three hundred and Sixty (360) days. In addition, although Management provided for bad and doubtful debts, the provision may not be sufficient since there is no evidence of previous recoveries of the debts. Further, the Institute does not have an approved debt management policy to provide guidance on how the debts may be recovered and how much or what percentage of provisions should be made for bad and doubtful debts.

In the circumstances, the accuracy and recoverability of student debtors balance of Kshs.125,268,373 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nkabune Technical Training Institute Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical

requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.163,176,960 and Kshs.128,826,750 respectively resulting to an under-funding of Kshs.34,350,210 or 21% of the budget. Similarly, the Institute spent Kshs.144,652,702 against actual receipts of Kshs.128,826,750 resulting to an over-utilization of Kshs.15,825,952 or 12% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under report on financial statements and report on lawfulness and effectiveness in use of public resources. However, Management had not resolved the issues as at 30 June, 2024.

Other Information

The Management is responsible for the Other Information set out on page iii to xxxiv which comprise of Institute information and Management, Chairman's Statement, Report of the Chief Principal, Statement of Performance against the Institute's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council of Governors and the statement of Council's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit of 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 and I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Law on Staff Ethnic Composition

Review of the Institute's payroll records revealed that twenty-nine (29) or 85% out of the 34 non-teaching staff, twenty-seven (27) or 73% of the thirty-seven (37) BOG teaching and twenty-five (25) out of sixty-six (66) of Public Service Commission trainers belonged to the dominant ethnic community in the County. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public offices shall seek to represent the diversity of people of Kenya in employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community. In addition, all the cadres were taken up by the dominant ethnic group.

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

2. Failure to Dispose of Obsolete Assets

The statement of financial position as disclosed under Note 22 to the financial statements reflects a balance of Kshs.523,005,940 in respect of property, plant and equipment. However, review of the asset register and physical verification conducted in the month of March, 2025 revealed various assets which were either faulty and unserviced, unserviceable or obsolete. This was contrary to Section 164 (1) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that the employee in charge of unserviceable, obsolescent, obsolete or surplus assets shall bring the matter to the attention of the disposal committee through the head of procurement function.

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

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

REPORT ON 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

Failure to Stagger Appointment and Re-appointment of Members of Board of Governors

The statement of financial performance as disclosed in Note 13 to the financial statements, reflects Kshs.3,419,500 in respect of board expenses. However, review of file of Members of Board of Governors revealed that Cabinet Secretary's appointment of members of the Board of Governors was done on the same date of 18 January, 2023. This was contrary to Section 7(2) of the Technical and Vocational Education and Training Act, 2013 which requires that the Cabinet Secretary, the appointment or re-appointment of Members of Board of Governors, stagger the commencement dates to ensure continuity in the affairs of the board.

In the circumstances, terms of all the appointed members would expire at the same time thereby significantly jeopardizing continuity in the affairs of the Board.

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

Responsibilities of the Management and the Board of Management

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.

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

Auditor-General's Responsibilities for the Audit

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 May, 2025

NKABUNE TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements
For the Year ended 30th June 2024

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

Description	Notes	YEAR ENDED 30 th JUNE	YEAR ENDED JUNE 30
		2024	2023
		Kshs	Kshs
Revenue from Non-Exchange transactions	6.	22,448,183	23,805,000
Revenue from Exchange transactions			
Rendering of services	7	118,946,009	133,305,481
Sale of goods	8	1,134,375	979,973
Rental revenue from facilities and equipment	9	1,498,920	1,352,197
Other income	10	2,130,917	333,700
Revenue from Exchange transactions		123,710,221	135,971,351
Total Revenue		146,158,404	159,776,351
Expenses			
Use of goods and services	11	81,701,798	86,697,224
Employee costs	12	31,218,866	28,410,542
Board Expenses	13	3,375,500	3,417,040
Depreciation and amortization expense	14	20,638,182	22,615,817
Repairs and maintenance	15	4,929,279	7,191,748
Contracted services	16	3,720,684	3,791,356
Provisions for bad debts	17	3,760,572	2,973,348
Total Expenses		149,344,881	155,097,075
Net Deficit for the year		-3,186,477	-19,125,724

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements

For the Year ended 30th June 2024

The notes set out on pages 19 to 40 form an integral part of the annual Financial Statements.

Sign 

Samson Raiji
Chairman of Board of Governors
Principal

Date: 11/04/2025

Sign 

Zachary Doris Kinya
Finance Officer

ICPAK No 22260

Date: 11/04/2025

Sign 

Peninah Ngina Musili

Date: 11/04/2025

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

Description	Notes	YEAR ENDED	YEAR ENDED
		JUNE 30 2024	JUNE 30 2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	18	4,681,975	21,395,045
Current portion of receivables from exchange transactions	19	125,352,373	96,421,073
Inventories	20	15,675,139	11,831,912
Biological Assets	21	285,000	285,000
Sub-Total		145,994,487	129,933,030
Non-Current Assets			
Property, plant, and equipment	22	523,005,940	542,347,612
Intangible assets	23	3,025,190	4,321,700
Sub-Total		526,031,130	546,669,312
Total Assets		672,025,617	676,602,342
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	24	19,114,862	5,023,864
Refundable deposits from students	25	619,300	313,500
Audit fee liability	17	1,804,237	1,804,237
Total Liabilities		21,538,399	7,141,601
Net assets		650,487,218	669,460,741
Capital and Reserves			
Reserves		562,724,032	528,561,515
Prior year adjustments			34,162,517

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Total reserves		562,724,032	562,724,032
Accumulated Surplus		87,763,186,	106,736,709
Total Reserves and accumulated surplus		650,487,218	669,460,741

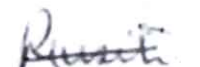
The Financial Statements set out on pages 19 to 40 were signed on behalf of the Institute Board of Governors by:

Sign 

Samson Raiji
Chairman of Board of Governors
Principal

Sign 

Zachary Doris Kinya
Finance Officer

Sign 

Peninah Ngina Musili

ICPAK No 22260

Date..11/04/2025

Date; 11/04/2025

Date; 11/04/2025

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

Description	Revaluation reserves	Accumulated fund	Capital Grants/Fund	Total
At July 1,2022	528,561,515.0	17,392,338.0	-	528,561,515.0
revaluation gain	-	-	-	-
Surplus/Deficit for the year	-	(19,125,723.0)	-	(19,125,723.0)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital to retained earnings	-	-	-	-
At June 30th 2023	562,724,032.0	106,736,709.0	-	506,435,752.0
At July 1 2023	562,724,032.0	-	-	506,435,752.0
revaluation gain	-	-	-	-
surplus/deficit for the year	-	(3,136,477.0)	-	(15,825,957.0)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortization from capital to retained earnings	-	-	-	-
At June 30,2024	562,724,032	87,763,186	-	650,487,218

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

Description		YEAR ENDED JUNE 30	YEAR ENDED JUNE 30
	Note	2024 Kshs	2023 Kshs
Cash flows from operating activities			
Receipts			
Rendering of services-Fees		103,372,618	95,235,138
Sales of goods		1,134,375	1,313,583
Rental revenue from hired facilities		1,498,920	1,352,197
Other income		2,130,917	
Total Receipts		108,136,830	97,718,108
Payments			
Use of goods and services		68,467,612	94,209,882
Employee cost		31,218,866	28,410,542
Board Expenses		3,375,500	3,417,040
Repairs and Maintenance		4,511,329	6,487,138
Contracted Services		3,720,684	3,791,356
Inventory payment		8,527,845	
Previous years liabilities payment		5,023,864	
Total Payments		124,845,700	136,315,958
Net Cash Flows from operating activities		-16,708,870	-38,597,850
Cash flows from investing activities			
Purchase of property, plant, equipment			-3,675,087
Purchase of intangible assets			-2,200,000
Net cash flows used in investing activities			-10,875,087
Cash flows from financing activities			
Refundable deposits from customers		-4200	-14700
Net cash flows used in financing activities		-4,200	-14700
Net Decrease in Cash and Cash equivalents		-16,713,070	-49,487,637
Cash and Cash equivalents at 1 July 2023		21,395,045	70,882,683

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Cash and Cash equivalents at 30 June 2024		4,681,975	21,395,045.42
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18. Statement of Comparison of Budget and Actual Amounts for The Year Ended June 30, 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Rendering of services- fees from students	151,674,000	7,569,900	159,243,900	123,393,008	35,850,892	77
Sale of goods	1,300,550		1,300,550	1,134,725	165,825	87
Rental revenue from facilities and equipment	794,400		794,400	2,168,100	-1,373,700	273
Other income	1,838,110		1,838,110	2,130,917	-292,807	116
Total Income	155,607,060	7,569,900	163,176,960	128,826,750	34,350,210	79
Expenses						
Use of goods and services	111,598,736	5655150	117,253,886	75,910,157	41,343,729	65
Employees cost	28,963,138	1478270	30,441,408	31,071,037	-629,629	102
Board expenses	3,417,800	100000	3,517,800	3,419,500	98,300	97

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Repairs and Maintenance	8,507,386		8,507,386	5,113,694	3,393,692	60
Depreciation and amortization				20,638,182	-20,638,182	
Provision for bad debts				4,779,453	-4,779,453	
contracted services	3,120,000	336480	3,456,480	3,720,684	-264,204	108
Total Expenditure	155,607,060	7569900	163,176,960	144,652,707	18,524,253	89

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19. Notes to The Financial Statements

1. GENERAL INFORMATION

Nkabune Technical Training Institute is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the accounting Nkabune Technical Training Institute 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.

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

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

3. Adoption of new and revised standards

i. Relevant new standards and amendments to published standards effective for the year ended 30th June 2024

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

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Standard	Effective date and impact:
IPSAS 41, Financial Instruments	<p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS-29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i>

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Standard	Effective date and impact:
	<p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

Nkabune Technical Training Institute did not early-adopt any new or amended standards in year 2024/the entity adopted standard IPSAS 9 and 23. The impact of these standards on entity's financial statements is xx. (amend appropriately)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

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income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Interest income

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

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The original budget for FY 2023/2024 was approved by the Board on 31/01/2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity did not record any additional appropriations on the FY 2023/2024 budget following the Board's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 3 of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes.

Sales tax/ Value Added Tax

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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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Investment property

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

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

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

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

e) Property, plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognized as finance costs in surplus or deficit.

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

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

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h) Research and development costs

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

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

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

i) Financial instruments

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which

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are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

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

k) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

m) Nature and purpose of reserves

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

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n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

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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.

r) Related parties

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

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

t) Cash and cash equivalents

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

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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, 2024.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

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circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

Additional disclosure of these estimates of provisions is included in Note xxx.

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

(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 entities

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	22,448,183	23,805,000
Operational Grant	0	0
Unconditional Development grants	0	0
Other Grants	0	0
Total unconditional Grants	22,448,183	23,805,000
Conditional Grants amortised/ recognised in revenue		
Library Grant	0	0

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Hostels Grant	0	0
Administration Block Grant	0	0
Laboratory Grant	0	0
Learning Facilities Grant	0	0
Other Organizational Grants	0	0
Total Government Grants and Subsidies	22,448,183	23,805,000

7. RENDERING OF SERVICES

Tuition Fees	29,633,930.00	29,860,164.00
Personal Emoluments	17,667,885.00	17,777,720.00
Electricity, Water and Conservancy	4,885,461.00	6,385,483.00
Repairs, Maintenance and Improvement(RMI)	4,153,417.00	4,763,400.00
Activity	4,597,459.00	4,278,700.00
Medical	1,240,920.00	928,605.00
Insurance	2,486,650.00	4,263,950.00
Local Travel and Transport (LT&T)	4,249,241.00	4,632,000.00
Gratuity	753,038.00	914,800.00
Internet	1,608,700.00	1,829,000.00
Student Welfare	736,062.00	915,100.00
Attachment	4,114,150.00	4,249,703.00
Hostel fee	5,135,000.00	7,213,840.00
Registration fee	127,500.00	188,400.00
Student ID Card	124,650.00	138,550.00
Practical Materials	9,176,000.00	7,220,453.00
Examination Fee	12,417,120.00	13,709,083.00
Development	3,019,500.00	4,056,000.00
Meals	11,821,096.00	18,657,000.00
Application fees	173,500.00	
Uniform.	537,230.00	1,323,530.00
TVETA fees	287,500.00	

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	118,946,009.00	133,305,481.00
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8 SALE OF GOODS

Description	YEAR ENDED JUNE 30 2024	YEAR ENDED JUNE 30 2023
	Kshs	Kshs
Sale of Farm Produce	163,559.00	182,747
Cafeteria Sales	970,816.00	797,226
	1,134,375	979,973

9. HIRE OF FACILITIES AND EQUIPMENT

Description	YEAR ENDED JUNE 30 2024	YEAR ENDED JUNE 30 2023
	Kshs	Kshs
Hire of Facilities	861,530	524,887
Staff House Rent	603,490	827,400
Guest house	33,900	
Total	1,498,920	1,352,287

10. OTHER INCOME

Description	YEAR ENDED JUNE 30 2024	YEAR ENDED JUNE 30 2023
	Kshs	Kshs
Library fines	2,905.00	3,150
Photocopying Services	126,042.00	163,120
Computer Packages	142,200.00	100,000
Student meal card replacement	4,150.00	2090
Equipment Charges	12,080.00	9,450
Graduation.	1,747,700.00	0

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Cosmetology unit	8,930.00	5,890
Others income	75,610.00	50,000
Disposal of assets	11,300.00	0
Total other income	2,130,917	333,700

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11. USE OF GOODS AND SERVICES

Description	2023-2024	2022-2023
		Kshs
Tuition (SES) Expenses	5,266,509.00	9,599,260
Local Transport & Travel	5,671,002.00	5,136,390
Motor Vehicle Repairs And Maintenance	-	-
Administration Expenses	5,717,235.00	10,674,898
Electricity Water and Conservancy	3,334,735.00	3,074,070
Medical Expense	412,316.00	226,935
Activity Expense	2,291,481.00	6,405,693
Internet/ICT Expense	1,588,278.00	1,019,314
Student Council	970,446.00	911,580
Examination	9,081,657.00	15,766,540
Hire of Facility	-	-
Tender Expenses	34,000.00	75,082
Farm	135,750.00	270,340
Student Meals	12,414,589.00	15,029,225
CT Production Unit/ Uniforms	1,129,843.00	282,904
Insurance Expense	1,540,653.00	1,184,491
Graduation	2,303,535.00	-
Fuel & Oil Expenses	4,346,837.00	4,637,946
Practical materials expense	8,867,643.00	858,627
Hospitality practical materials	8,473,582.00	5,032,726
Hostel expense	3,294,460.00	3,745,460
House Rent Expense	399,360.00	-
Meetings & Conferences	-	-
Casuals	-	-
Food and beverage production unit	2,761,798.00	1,793,701
Attachment Expense	1,528,400.00	884,236
Bank Charges	47,689.50	87,806
Secretarial Training	-	-
Total good and services	81,701,798.50	86,697,224

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12. EMPLOYEE COSTS

Description	YEAR ENDED JUNE 30 2024	YEAR ENDED JUNE 30 2023
	Kshs	Kshs
Salaries and wages	30,024,940	27,802,767
Gratuity Expense	1,174,616	607,775
Casual	19,310	
Employee Costs	31,218,866	28,410,542

13. Board expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Board Allowances	3,375,500	3,417,040
Total	3,375,500	3,417,040

14. DEPRECIATION AND AMORTIZATION

Description	YEAR ENDED JUNE 30 2024	YEAR ENDED JUNE 30 2023
	Kshs	Kshs
Property, plant and equipment	19,341,672	21,706,517
Intangible assets	1,296,510	909,300
Total depreciation and amortization	20,638,182	22,615,817

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15. REPAIRS AND MAINTENANCE

Description	YEAR ENDED JUNE 30 2024	YEAR ENDED JUNE 30 2023
	Kshs	Kshs
Building painting and improvements works	4,929,279	7,191,748
Total Repairs and Maintenance	4,929,279	7,191,748

16. CONTRACTED SERVICES

Description	YEAR ENDED JUNE 30 2024	YEAR ENDED JUNE 30 2023
	Kshs	Kshs
Security and cleaning services	3,720,684.00	3,791,356
	3,720,684.00	3,791,356

17. Provision

Description	2023-2024	2022-2023
AUDIT	KShs	KShs
Balance at the beginning of the year	1,804,237	1,154,237
Additional Provisions during the year	0	650,000
Total provisions	1,804,237	1,804,237
BAD DEBTS		
Computation 3% of debtors	3,760,572	2,973,348

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18. a) CASH AND CASH EQUIVALENTS

Description	YEAR ENDED JUNE 30 2024	YEAR ENDED JUNE 30 2023
	KShs	KShs
Current account	4,681,975	21,395,045
Others(specify)	0.00	0.00
Total cash and cash equivalents	4,681,975	21,395,045

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

(b) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

		YEAR ENDED JUNE 30 2024	YEAR ENDED JUNE 30 2023
a) Financial institution	Account number	KShs	KShs
Cooperative Bank Main Acc.	1129022017100	302,269.65	16,501,523.00
Co-operative Bank Instant Acc.	1100022017100	3,204,235.07	2,600,335.07
KCB Production Unit Acc.	1182909272	386,045.00	1,927,371
Kenya Commercial bank	1117245136	141,657.85	332,968.35
National bank	01242039178000	370,502.48	
Cash in hand	cash in hand	276,665.00	32,527
Grand Total		4,681,975	21,395,045

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19. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	YEAR ENDED JUNE 30 2024	YEAR ENDED JUNE 30 2023
	Kshs	Kshs
Current Receivables		
Student Debtors	125,268,373	96,238,173
Rent Debtors	84,000	182,900
	125,352,373	96,421,073

20. INVENTORIES

Description	YEAR ENDED JUNE 30 2024	YEAR ENDED JUNE 30 2023
	KShs	KShs
Health unit	53976	95,354
Cosmetology	375540	1,198,474
Automotive	1118451	382,372
Library	7,147,394	7,147,394
Electrical	628590	1,389,705
Fashion design	1178580	386,192
Food beverage	2934117	325,427
House keeping	395850	31,946
Stationery	1077841	704,875
Store	359280	95,876
Production unit	405520	74,297
Total inventories	15,675,139	11,831,912

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21. BIOLOGICAL ASSETS

Description	YEAR ENDED JUNE 30 2024	YEAR ENDED JUNE 30 2023
	KShs	KShs
Dairy cows	285,000	285,000
Total	285,000	285,000

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22. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs		Shs
rates		2.00%	25%	12.50%	30%	12.50%		
As at 1st July 2022	60,000,000	429,564,823	32,054,704	7,602,448	8,061,481	76,632,379		613,915,835
Additions	0	0	0	1,025,000	0	2,427,656	5,222,431	8,675,087
Disposals	0	0	0	0	0	0		0
Transfer/adjustments	0		-5,500,000	-955,697	4,766,239	6,299,872		-7,989,330
At 30th June 2023	60,000,000	429,564,823	26,554,704	7,671,751	12,827,720	72,760,163	5,222,431	614,601,592
Additions	0	0	0	0	0	0		0

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Disposals	0	0	0	0	0	0	0	0	0	0	0
Transfer/adjustments	0	5,222,431	0	0	0	0	0	0	0	0	0
At 30th June 2024	60,000,000	434,787,254	26,554,704	7,671,751	12,827,720	72,760,163	614,601,592				
Depreciation and impairment											
At 1 July 2022	-	19,444,906	15,291,711	2,447,759	4,140,914	25,511,417	66,836,707				
Prior year adjustments		-	576,299	-255,876	23,244	11	16,289,244				
Depreciation charged	-	8,202,398	2,671,673	551,415	2,599,250	7,681,781	21,706,517				
At 30 June 2023	-	27,647,304	18,539,683	2,743,298	6,763,408	16,560,287	72,253,980				
Depreciation	-	7,877,583	2,003,754	616,057	1,819,294	7,024,984	19,341,672				
Impairment	-	-	-	-	-	-	-				
At 30 June 2024	-	35,524,887	20,543,437	3,359,355	8,582,702	23,585,271	91,595,652				

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Net book values								-
At 30th June 2023	60,000,000	401,917,519	8,015,021	4,928,453	6,064,312	56,199,876	5,222,431	542,347,612
At 30th June 2024	60,000,000	399,262,367	6,011,267	4,312,396	4,245,018	49,174,892		523,005,940

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. INTANGIBLE ASSETS-SOFTWARE

Description	YEAR ENDED JUNE 30	YEAR ENDED JUNE 30
	2024	2023
	KShs	KShs
Cost		
At beginning of the year	6,380,000	4,180,000
Additions during the year		2,200,000
At end of the year	6,380,000	6,380,000
Additions—internal development		0
At end of the year	6,380,000	6,380,000
Amortization and impairment		0
At beginning of the year	2,058,300	1,149,000
Amortization during the year	1,296,510	909,300
At end of the year	3,354,810	2,058,300
Impairment loss during the year	0	0
At end of the year	3,354,810	2,058,300
NBV	3,025,190	4,321,700

24. TRADE PAYABLES

Description	YEAR ENDED JUNE 30	YEAR ENDED JUNE 30
	2024	2023
	Kshs	Kshs
Trade and Other Payables	19,114,862	5,023,864
Total Trade and Other Payables	19,114,862	5,023,864

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25. REFUNDABLE DEPOSITS FROM CUSTOMERS

Description	YEAR ENDED JUNE 30 2024		YEAR ENDED JUNE 30 2023	
	Kshs		Kshs	
Caution money	619,300		313,500	
Total Deposits			313,500	
Ageing analysis:	2023-2024	% of the Total	2021-2022	% of the Total
Under one year		%	313,500	%
1-2 years	310000	%	0	%
2-3 years	309300	%	0	%
Over 3 years	0	%	0	%
Total (to tie to totals deposits above)	619,300	%	313,500	%

26. EVENTS AFTER THE REPORTING YEAR

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

27. ULTIMATE AND HOLDING ENTITY

The entity is a Semi- Autonomous Government Agency under the Ministry of education. Its ultimate parent is the Government of Kenya.

28. CURRENCY

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

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20. Appendix II: Inter-Entity Transfers

	ENTITY NAME:		
	Break down of Transfers from the State Department of TVET		
	FY 23/24		
a.	Recurrent		
		<u>Bank Statement</u>	<u>Amount (KShs)</u>
		<u>Date</u>	<u>Indicate the FY to which</u>
			<u>the amounts relate</u>
		16/10/2023	3,948,000.00
		23/1/2024	4,140,000.00
		9/2/2024	4,732,000.00
		26/2/2024	9,010,044.00
		27/02/2024	618,138.80
		Total	22,448, 182.80
b.	Development Grants		
		<u>Bank Statement</u>	<u>Amount (KShs)</u>
		<u>Date</u>	<u>Indicate the FY to which</u>
			<u>the amounts relate</u>
			0.00
			0.00
			0.00
		Total	0.00
			0.00
		Total	0.00

The above amounts have been communicated to and reconciled with the parent Ministry

Finance Officer

NTTI

Sign



Head of Accounting Unit

NTTI

Sign

