

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 05 JUN 2025

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THE-TABLE:

CHRISTINE NDIRITU

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

WOTE TECHNICAL TRAINING INSTITUTE

FOR THE YEAR ENDED

30 JUNE, 2023



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI

MACHAKOS HUB

05 MAY 2023

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WOTE TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2023

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

WOTE TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2023

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**WOTE TECHNICAL TRAINING INSTITUTE
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1. Acronyms & Glossary of Terms

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
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

Provide a list of Acronyms and glossary of terms used in the financial report as per above example The list to be exhaustive)

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2. Key Entity Information and Management

(a) Background Information

Wote Technical Training Institute is situated within Makueni Township. The Institute occupies a 14-acre piece of land and is in a predominantly semi-arid region. The Institution was established as a skills training centre by Volunteer Service Overseas (VSO) in 1990. The Institution later changed from a Skills Training Centre to Wote Technical Training Institute and registered as a TVET Institution under the Ministry of Education by TVETA under the TVET Act on 2013.

Wote TTI has a strategic plan from 2023 to 2027 and the aims, goals and objectives are in line with those of the Ministry of Education. The Institute has six (6) academic departments, namely Electrical Electronics, Building and Civil Engineering, Business and Accounting department, Liberal and community development, Hospitality & Tourism management and Information and communication Technology department. The Institute offers a variety of courses to K.C.P.E and K.C.S.E graduates at Artisan, Craft, and Diploma levels. The courses offered are examined by KNEC, KASNEB, NITA. Recently the Ministry of Education introduced TVET-CDACC curricula and Wote as a TVET Institution has embraced it. Currently, the Institute has 114 trainers and a student population of 3014 students, who are either GoK sponsored or Self sponsored.

The Institution is run on day-to-day basis by a Principal who is appointed by the CS, Ministry of Education under the State Department Vocational and Technical Training. The Institute is managed by a Board of Governors (BOG), appointed by the Cabinet Secretary, Ministry of Education as stipulated by the TVET Act (January, 2013). Responsibilities of the Board of Governors include recruitment of support staff, overseeing financial management, upholding of staff and student discipline, maintenance of infrastructure & other assets, and sourcing for finances.

(b) Principal Activities

The principal activity/mission of Wote TTI is to train highly skilled workforce that is responsive to national and global competitiveness, implementing training in TVET programs, carrying out research programs, and innovation into products and services

Our vision is to be Technical Centre of excellence in business and Technology for all sectors of the economy. Our mission is to provide quality training for the production of self-driven craftsmen, business and technical labour for the local and international market.

The core functions of Wote tti include providing directly, or in collaboration with other Institutions of higher learning, facilities for technical trainers in technological, professional, scientific education; conduct examinations for and grant such academic awards as provided under the polytechnic order.

Fundamental Statements

Vision

“To become a technical training centre of excellence in business and technology for all sectors of the economy”

Mission

“To provide quality training, for the production of self-driven craftsmen, business and technical labour for the local and international market”

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Core values

- Accountability
- Honesty and Integrity
- Equity
- Partnerships
- Quality
- Health and Safety
- Gender Sensitivity

Institute Motto

- Excellence in Science, Innovation & Technology.

Objectives of the Institute

- i. Upgrade on infrastructure, Facilities, and Environment.
- ii. Acquire and use modern ICT.
- iii. Promote linkages with other Institutions.
- iv. Promote Research and Development.
- v. Improve Marketing of the Institute.
- vi. Create conducive working environment.
- vii. Strengthen the Financial Position of the Institute

(c) Key Management

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

- Board of Governors
- The Principal
- Deputy Principal Planning, Administration & Finance
- Deputy Principal Academic Affairs
- Registrar
- Deans of Students
- Finance Officer
- Internal Auditor
- Heads of Departments

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chairman of the BOG	Prof. Joseph M. Mwinzi
2.	Principal	Mr. Joshua K. Munywoki
3.	Finance Officer	CPA John M. Kimiti
4.	Deputy Principal Planning, Administration & Finance	Mr. Paul Githaiga

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5.	Deputy Principal- Academic Affairs	Ms Jessy Ngina Kitusa
6.	Registrar	Ms Eunice Wambua
7.	Dean of students	Ms Faith Philip
8.	PC Coordinator	Joseph Ngemu
9.	Management Representative	Ms Christine Nzyimi
10.	Gideon Mwangela	Internal Auditor

(e) Fiduciary Oversight Arrangements

1. The BOG finance and development committee

The Committee shall exercise all the powers of Board of Governors in financial matters except in relation to the items which are reserved to Board of Governors in these Standing Orders, on which the Committee shall advise Board of Governors.

Terms of Reference

The role of the Committee shall be to monitor the financial status of the Institute on behalf of Board of Governors. In addition to advising Board of Governors on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters.
- b) To receive reports from the Chief Principal and the Senior Finance Officer.
- c) To monitor implementation of the strategy for the Institute estate.
- d) To receive reports of the extent and condition of the Institute estate including the efficiency of space utilisation, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for Institute services and facilities.
- g) To supervise the financial administration of the Institute and make recommendations to Board of Governors where appropriate.
- h) To supervise the arrangements for safeguarding the Institute's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the Institute's intellectual property.
- l) To make recommendations to Board of Governors on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.
- n) To supervise the Institute's purchasing procedures and practices.
- o) To submit an annual statement on its activities to Board of Governors.
- p) To keep under review, the activities of the Institute's various departments.

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2. The BOG Audit Committee Activities

a. Governance Initiatives:

Review and provide oversight on governance initiatives established by the BOG and maintained by the organization.

b. Risk Management:

Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.

c. Internal Control Framework:

Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.

d. Audit Activity:

Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.

e. Follow Up On Management Action Plans:

The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.

f. Financial Statements and Public Accountability Reporting:

The audit committee shall review and provide advice to the BOG on the key financial management and performance reports and disclosures issued to the public.

• Government Oversight Activities

The Government of Kenya's oversight role include provision of Grants for both Operations and Development as well as provision of the regulatory framework.

The audit of the Instructional activities is undertaken by the Office of the Auditor General

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3. Academic Committee Activities

The academic committee of the Board is entrusted with the following roles and functions:

- a. To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board.
- b. To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study,
- c. To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
- d. To approve programmes of study, regulate admission of persons to WOTE TTI and determine their continuation or discontinuation in such programmes.
- e. To determine the Academic policy of WOTE TTI and to advise the Board on the provision of facilities to carry out that policy,
- f. To direct and regulate the training and instruction within the Institute subject to the powers of the Board.

4. Senior Management Committee Activities

The main purpose of the Senior Management Team is to:

- 1) Ensure that WOTE TTI's Board of Governors is able to take strategic decisions relating to WOTE TTI's activities
- 2) Provide leadership in communicating WOTE TTI's mission, values, plans and achievements effectively and consistently to Board of Governors Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- 3) Be accountable for the development and implementation of WOTE TTI's strategic, corporate and business plans in line with the mission and values;
- 4) Take a strategic overview of performance in all areas of WOTE TTI's activities.

Specifically, the Senior Management Team:

- 1) Makes recommendations to the board on the implementation and achievement of the Board of Governors' Strategic Framework;
- 2) Agrees to WOTE TTI's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
- 3) In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- 4) Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of WOTE TTI, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;

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- 5) Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organisation and regularly reviewing the corporate risk register;
- 6) Oversees and monitors WOTE TTI's joint work with the other stakeholders
- 7) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board of Governors and/or its relevant Committees.
- 8) Leads all senior managers in motivating and developing WOTE TTI staff to deliver the highest standards of performance and customer service.

(f) Entity Headquarters

Wote Technical Training Institute
P.O Box 377 – 90300
Wote Town
Makueni County

(g) Entity Contacts

Mobile Phone Numbers:

- +254787294782
- +254728658649

E-mails: wotettimakueni@gmail.com.

Website: www.wotetti.ac.ke

(h) Entity Bankers

1. KCB Bank Kenya Limited, P. O. Box 269-90300 Wote –Branch Account No : 1105324559	2. Barclays Bank of Kenya Limited P. O. Box 424-90300 Wote –Branch Account No's - 2021583580
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(i) Independent Auditors

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




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(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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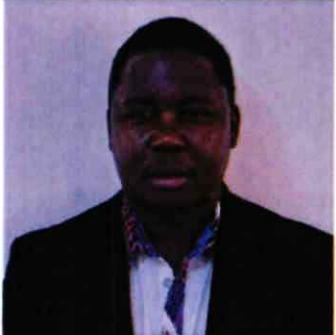

3.The Council/Board of Governors

Governor/ Member	Title	Photograph	Date of Birth, Key Qualifications and Work Experience	
			Responsibility	Date of Birth & Qualifications, Experience
1. Prof. Joseph Mwinzi	Chairman		Overall Management of the Board Activities.	<u>Key Qualifications</u> Professor Mwinzi Holds PhD in Philosophy of edu. University of South Africa). Masters Edu.Kenyatta University and a PGDE, KU, BA Philosophy of Edu. (Arbaniana University <u>Work experience-27 years</u> Taught is Secondary schools from 2008-2011,Senior Lecturer, UoN,(from 2018 to date) Supervising students at Masters and Doctoral students of Philosophy of Edu.
2. Joshua Munywoki Kalola	Principal /Secretary B.O.G		Overall in Charge of Institute Affairs	Date of Birth 03/03/1966 <u>Qualifications</u> Masters [Project & Construction Management] BSc [Civil Engineering] <u>Work experience</u> 30yrs Has served earlier as a Principal in National Institutions 6yrs, Deputy Principal 8yrs, Technical trainer 16yrs as HOD, Deputy Registrar, Exams officer.
3. Mr. Mohammed Abdi	Member		Chair of The Audit and Risk Committee	<u>Date of Birth</u> <u>Key Qualifications</u> Masters of Business Administration (MBA) HRM University of Nairobi, 2014 To Date Bachelor (Arts Hons, Moi University, 1998 to 1991 <u>Work experience</u> 2012 to date, works as a Certified Human Resource Professional (CHRP) 2009 - 2011 –Manager PM, I&D Postal Cooperation of Kenya, NAIROBI May 1992 – Nov 2009:worked among other places at KPTC

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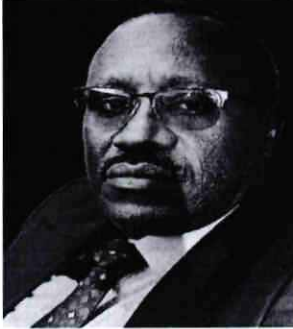


Governor/ Member	Title	Photograph	Date of Birth, Key Qualifications and Work Experience	
			Responsibility	Date of Birth & Qualifications, Experience
4. Alfonse M. Mutinda	PS Alternate Member		Member of the Education Research and Human Resource Committee	<p><u>Date of Birth</u> <u>Key Qualifications</u> BSC. Mech. Engineering, University of Nairobi, BSC. Engineering Science Brunel University, London PGDE, UoN</p> <p><u>Work experience</u> 2017 to date Director, Vocational and Technical Education</p>
5. Elizabeth N Muli Governor's Representative	Member		Member of the Education Research and Human Resource Committee	<p><u>Date of Birth</u> <u>Key Qualifications</u> Masters in Business Administration, University of Nairobi, Bachelor of Business Information Technology (BBIT) Strathmore University (Dip. BIT) Strathmore University</p> <p><u>Work experience</u> 2022 - Present County Minister of ICT, Education & Internship, Makueni County, in charge of Department of ICT, Education and Internship, implementation of County Government policies in the department, conveying County Executive committee decisions to the relevant people among other duties and responsibilities</p>
6. Eng. Jacinta W. Mwangi	Member		Member of Finance and Development Committee	<p><u>Date of Birth</u> – 01/01/1973 <u>Key Qualifications</u> Master's in Business Administration , Kenyatta UniversityOngoing , Bsc in Civil Engineering –Jomo Kenyatta University</p> <p><u>Work experience</u> 2009-2019 Regional Manager 2019 –Date - Deputy Director, Kenya Urban Roads Authority Kenya Urban Roads Authority 2003-2008 District Works Officer /District Roads Engineer , 1998-2003 Designer in the Roads Department ,Assistant Engineer ,Mombasa Road</p>

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Governor/ Member	Title	Photograph	Date of Birth, Key Qualifications and Work Experience	
			Responsibility	Date of Birth & Qualifications, Experience
7. Isaac Nduvi	Member		Chair of the Finance and Development Committee	<p><u>Date of Birth</u> – 21/3/1970 <u>Key Qualifications -22 years</u> M.A in Economic Policy Management, University of Nairobi, B. Com(Accounting)-Hons, Kenyatta University <u>Work experience -19 years</u> 2008-Date-Head, Risk Management & Compliance 2004-2006, Credit bank LTD, Operations Officer, Equity Bank, 2002-2004 Assistant Accountant ,Bible Society of Kenya</p>
9. Ms Lucy Lau Bigham	Member		Member of the Education Research and Human Resource Committee	<p><u>Date of Birth</u> – 14/10/1962 <u>Qualifications-</u> MA international Business Analysis – University of Northampton, UK -2001 BA in Design – University of Nairobi – 1987 Robert Smith Fellowship – Fabric Workshop and Museum, Philadelphia 2003 – 2009 Training for development(TFD) Technical Cooperation Program, USAID – USA - 1994 Organization & Management of Income Generating Projects – Goldameir Institute, Israel -1992 Program Management for Women in Sub Sahara – Eastern & Southern Management Institute(ESAMI) – Tanzania – 1989 <u>Work experience -</u> Management Executive CEO/Director – Highly qualified executive manager offering more than 20 years experience.</p>

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4. Key Management Team

Manager	Title	Photograph	Qualifications & Responsibility	
			Responsibility	Date of Birth & Qualifications
1. Joshua Munywoki Kalola	Principal /Secretary B.O.G		Overall in Charge of Institute Affairs	<p>Date of Birth 03/03/1966</p> <p>Qualifications Masters [Project & Construction Management] BSc [Civil Engineering]</p> <p>Work experience 30yrs Has served earlier as a Principal in National Institutions 6yrs, Deputy Principal 8yrs, Technical trainer 16yrs as HOD, Deputy Registrar, Exams officer.</p>
2. Paul Munyoro Githaiga	Deputy Principal Planning, Administration and Finance		In Charge of planning, administration and finance	<p>Date of Birth -1/12/1970</p> <p>Qualifications MBA (Accounting)</p> <p>Work experience -13 years Current D/PAF, Registrar – 2 years, Deputy Registrar – 6 years, Trainer for 6 years</p>
3. Ms Eunice M. Wambua	Registrar		In charge of admission of students and publicity of the Institute	<p>Date of Birth - 05.05.1970</p> <p>Qualification: masters in planning and economics of education, B. of education (arts)</p> <p>Work experience – PC Coordinator -1 Year, DP PC Coordinator - 1 Year, Disability mainstreaming target leader - 1 year, focal person national cohesion and values - 1 year, trainer - 27 years</p>

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4. Ms. Jessy Ngina Kitusa	Deputy Principal Academic Affairs		Academic Affairs of the Institute Member of Education Research and Human Resource Committee	Date of Birth - 03/05/1973 Qualifications Bachelor of Education (Arts) Diploma in tech education, diploma in business administration (KNEC) Work experience -17 years Currently DP/AA, Deputy Registrar, Deputy Dean - 2 years Trainer -14 years, Lead auditor/Auditor ISO 9001:2015, PC Coordinator - 4 yrs
5. Faith M. Philip	Dean of Students		In Charge of students affairs	Date of Birth - 27/09/1978 Qualifications Bachelor of Education – Computer Studies and Business. Work experience Technical Trainer - 6 years, Hostel Mistress -1 year, Deputy Dean - 3 years, Currently Dean of Students.
6. CPA John Kimiti	Finance Officer		Financial Management of the Institute	Date of Birth – 16/10/1980 Qualifications B.Com (Finance) CPA – K, CS(Section 4) Work experience 8 years – in Accounting, Finance & Auditing
7. Ms Christine M. Nzyimi	ISO Management Representative		Quality Management System Member of Audit and Risk Committee	Date of Birth – 10/10/1978 Qualifications Master of Social Work, BED –German and Secretarial Studies Work experience German and Secretarial trainer - 10 yrs, Export Assistant - 2 yrs, D/MR - 5Yrs, Lead Auditor, Internal Quality Assurance Officer

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<p>8. Mr. Joseph Ngemu</p>	<p>Performance Contracting Coordinator</p>		<p>Performance Contracting</p>	<p><u>Date of Birth</u> - 27/01/1978 <u>Qualifications</u> Masters in Computational Intelligence <u>Work experience-11 years</u> Currently Head of Department / HOD's Representative, Trainer 11 years</p>
<p>9. Gideon Mwongela</p>	<p>Internal Auditor</p>		<p>Internal audit function</p>	<p><u>Date of Birth</u> 23/06/1984 <u>Qualifications</u> B.Com (Finance) CPA – K Diploma in Human Resource Management <u>Additional Qualifications</u> ISO 9001:2015 QMS Risk Management Internal Controls <u>Work experience</u> Finance and Accounting – 9 years Internal Auditing – 3 years</p>

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5. Chairman's Statement

The office of the chairperson of the board has been active during the year under review in managing the affairs of the Institute. However, I gradually note the existing challenges facing the Institution notably, the issue of inadequate learning facilities, fewer trainers and training resources. Despite all this, the Institution has been able to sustain a culture that blades technical and vocational training with mundane life.

As a board, we have encouraged a change in the mindset of our people as we leverage on the leaders to sensitize and educate our people to embrace the concept of technical and vocational training for our youth. The board has been and is committed to ensuring that the changing world around is sensitive to the needs of the future of our young men and women. We have continued to collaborate with a number of agencies both public and private sector in our endeavour to grow the Institution. Particularly we have collaborated with the County Government of Makueni on various academic and economic ventures. Our desire to achieve and deliver on our mandate has seen our drive in reaching out to each and every other partner willing to work with us.

Our mandate is to grow the student population through a number of strategies including effective outreach programs geared to popularize the Institution from within and around the County. These outreaches have been first since our student population has grown from 2400 in the last FY to about 3,000 during the year under review. During the year under review, the management has carried out an aggressive popularity campaign in the three Eastern Counties where our catchment is cantered.

As a board, we endeavour to continually put in place governance systems to ensure that we not only comply with the PFM Act of 2012 but also engage in prudent leadership practices that creates value for the Institute. Wote TTI has remained a good corporate citizen that meets its obligations for its staff and students as well as the national obligations.

The Institute registered remarkable development during the period under review in the realization of its mandate with financial support of the Ministry of Education, state department of Vocational and Technical Training in form of Student Capitation. As a result, the Institute has now been able to steer its progress through market research, linkages, collaboration and partnerships. We continue to register

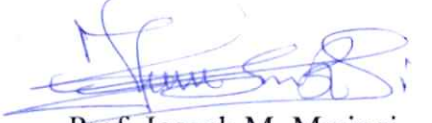
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an overall improvement in our performance due to enhanced resources, physical facilities and infrastructure.

Wote TTI continues to register an overall improvement in its performance due to enhanced resources, physical facilities and infrastructure despite the myriad challenges and the financial constraints.

I'm happy to report despite the numerous challenges that the Institution not only achieved most of its performance target pursuant to the performance contract cycle with the Ministry of Education, but also put in measures that ensured the mandate of the Institute is achieved.

I would like to thank all our stakeholders especially the parent Ministry, the County Government of Makueni and all other development partners for the support they continue to accord the Institution, without which our achievements would not have been realized. Finally, I wish to appreciate my fellow board members and the management staff for their efforts in supporting the realization of the Institute mandate.


Prof. Joseph M. Mwinzi
Chairman/Board of Governors
Date: 11/03/2025

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6. Report of the Senior Principal

Pursuant to Section 83 of the Public Finance Management Act, 2012, I take this opportunity to present the Institute's fourth Quarter report and financial statements for the financial year 2022/2023. The report is premised on the Institute's Strategic plan 2018/2023 and the Performance Contract 2021/2022. This includes but not limited to Improvement of physical facilities and infrastructure, curriculum implementation, advancement of TVET programs, promotion of Research & Innovation, Partnership/linkages and environmental management.

The above strategic issues are part of broad initiatives undertaken by the Institute's planning system in order to impart relevance to current the national TVET reforms. This defines the Institute's mandate aimed at enhancing quality, competitiveness, creativity and innovativeness in TVET sector. The report is focuses on involvement on account of analysis of goals, strategic issues, strategic objectives and activities that the Wote TTI envisaged to pursue in the financial year.

The mandate of the board of governors among other things is to provide apex management towards achieving the Institute mandate as per the TVET Act 2013. Further to this the Institute envisages to strengthen its financial base through promotion of good governance and effective management. The board is supportive to the management in all spheres as far as the implementation of our strategic plan is concerned. During the year under review, the board has supported the management in strengthening the existing governance policies including the Finance Procedures manual, the Finance Asset Module among other policies. The documents are aimed at improving internal controls as well as improving efficiency in our service delivery.

To develop an Institution with excellence in teaching, training, entrepreneurship, research, consultancy, community service, among other educational services and products. The Institute envisages investing in all forms of curriculum development with emphasis on technology. The top management has embraced change by sensitizing the local populace to embrace the concept of technical and vocational training, particularly the youth. During the year under review, the Institute committed to continue to collaborate with a number of agencies both public and private sector in our endeavour to grow the Institution. Our desire to achieve and deliver on our mandate has seen our drive in reaching out to each and every other development partner desiring to work with us. In order to enhance information exchange, benchmarking and best practices and capacity building, the

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Institute signed an MOU with the ACTS through the County Government of Makueni in research on solutions towards alleviating community based fuel and energy crisis. This is through promotion and usage of e-cooking and modern cooking technologies. The aim is to drastically reduce the usage of charcoal and fire wood among the community as they adopt the modern cooking. Such collaboration is aimed at developing an Institution with excellence in training, research consultancy, community services e.t.c. In order to deepen collaboration, enhance capacity and incorporate best international best practices, the Institute participated in robotic contests and won accolades in the research and innovation category and also presented position papers at KATTI-TVET fairs at Regional and at National levels. During the year under review, the Institute conducted the first graduation ceremony where over 1300 students were awarded diplomas and certificates by the PS-SDTVET. The Institute is an active player in the research and innovation initiatives and as such, there is a deepened collaboration towards enhancing staff capacity as well as incorporating best international practices. The Institution has established a vibrant research unit

The Institute is committed to ensuring that the compound is beautified and landscaping within the compound is continually improved, since image is everything.

In order to enhance student enrolment, the Institution has taken strides towards this endeavour by improving student's wellbeing and cultivating dynamic training environment that is pleasant and encourages trainees to study at any place. We have increased WIFI and created several student hot spots where internet is easily available

Challenges

For effective teaching and learning the Institute emphasizes on the need for adequate staffing across all the departments. During the year, majority of the departments did not have sufficient PS staff to handle the trainees effectively. Shortage of trainers is therefore one of the challenges facing the Institution. In order to alleviate the shortage, the Institute has been hiring staff on contract basis to close the gaps. The hired staffs are paid by the Institute from its meagre resources. During the 2022/2023 financial year, the Institute maintained 52 trainers under the BOG contract but the number is likely to increase due to our anticipated increase of trainees.

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Our physical training facilities have also not increases to match the increasing number of trainees. To this end, the management adopted the use of tents as temporary classrooms, which are convenient and ideal for our trainees.

Continuous dynamism in the ICT sector is inevitable where both upgrade and updates of website are a priority. We have enhancement our learning management system as well as our ERP. These systems are not one-off processes for they require continuous upgrade and renewal of license which has always been an expensive undertaking. The systems are important for they assist student admissions, fees processing, procurement of goods and services, finance processes, examinations, student registration and online teaching.

The new reporting template by IPSAS has presented its challenges in interpretation and application and require proper training to the Finance Staff.

The Institute is mandated by the TVET Act 2013 and is expected to ensure that training and research are top in our agenda. In order to effectively deliver on this mandate, the Institute envisages enhancing capacity and deepening its training skills and this calls for CPD to all staff. With limited financial resources, this has been a challenge.



Joshua K. Munywoki

Principal/ Secretary, BOG

Date: 11/03/2025

CHIEF PRINCIPAL
WOTE TECHNICAL TRAINING INSTITUTE
P. O. Box 377-90300, MAKUENI
info@wotettl.ac.ke
TEL: 0728 658 649 / 0787 294 782

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7. Statement of Performance against Predetermined Objectives

As indicated in the PFM Act 2012 section 81, we have included in the financial statements the contents of our Institute's strategic pillars within our strategic plan for the FY 2018/2023 are as follows.

Objectives of the Institute

1. To upgrade on infrastructure, facilities and environment.
2. To acquire and use modern ICT
3. To promote linkages with other Institutions
4. To promote Research and Development
5. To improve marketing of the Institute programmes
6. To promote social welfare and a healthy organizational culture.
7. To strengthen governance and financial stability of the Institution

The Institution achieved its performance targets set for the financial year 2021/2022 period for its eight strategic pillars as indicated in the diagram below.

Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Infrastructure , facilities and environment	To upgrade on infrastructure, facilities and environment.	Facility in use	<ol style="list-style-type: none"> a) Quantity physical needs b) Identify implementation stages c) Quantity financial requirements d) Identify sources of funding e) Tender method of doing the work f) Certify works done g) Commission 	<ol style="list-style-type: none"> a) Student path way completed in the FY b) masonry workshop partially refurbished and in use c) Assets tagging and valuation in progress
Pillar 2:	Workshop Equipment and ICT facilities	To acquire workshop equipment and modern ICT facilities	Equipment installed and in use	<ol style="list-style-type: none"> a) Quantity physical needs b) Identify implementation stages c) Quantify financial requirements d) Identify sources of funding e) Tender f) Select contractor g) Refurbish h) Certify i) Commission. 	<ol style="list-style-type: none"> a) A smart classroom refurbished, fitted and fully functioning. b) Acquisition of a new internet service provider c) Invitation of bids for a new Finance ERP.
Pillar 3:	Increase student enrolment and linkages	To enhance student enrolment by improving students wellbeing and	New Course launched	<ol style="list-style-type: none"> a) Carry out needs assessment b) Aggressive publicity campaign 	<ol style="list-style-type: none"> a) A fully functioning Students Guidance and Counselling office launched.

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		cultivating dynamic training environment that evolves with market demands		c) Enforce student guidance and counselling	b) Advertisements in both radio and TV media done
Pillar 4:	Research and Development	To advance technical training by promoting research and innovation.		a) Operationalize the research and development policy b) Appoint R&D Committee members c) Fund R&D unit	a) Research and development operationalized b) Research policy developed c) TVET innovation presented in fairs
Pillar 5:	Marketing of the Institute	To attract, motivate and retain motivated workforce	Carry out effective marketing programs of the Institute	a) Lobby for increased employment by PSC b) Advertise through mass media c) Establish alumnae d) Hold open days	a) More trainees enrolled b) Improved publicity of the Institute c) More networks and links done and MOU signed
Pillar 6	Conducive working environment	To Improve the staff morale and student learning environment	a. Carry out staff needs assessment b. Perform gap analysis survey	a) Plan for rewards scheme for good performance b) Developed HR policy c) Allowed worker to join workers union d) Assisted workers to access credit facilities from banks.	a) Good and conducive working environment b) Improved workers morale c) All staff are in Institute benevolent fund
Pillar 7:	Financial Sustainability	To seek alternative sources of funds Establish income generating activities	a) Fees reports b) Signed agreements c) No of proposals written	a) Increase fee collection to 100% b) Upgrade the existing ERP c) Hiring out of facilities	a) Substantial revenue generated due to hiring out of our facilities for conference use to Parastatals and agencies.

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8. Corporate Governance Statement

The Institute affirms that good corporate governance is simply good business. The Institute commits to ensure that there is compliance with the statutory and all the legal requirements as well as meeting the set deadlines.

i. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following recommendations from the B.O.G nominating committee. The board consists of nine members. The Board of Governors for Wote Technical Training Institute serves for three years. The Board may set up sub-committees and assign them responsibilities as it may deem fit.

As stipulated by the Ministry of Education through the TVET Act (January, 2013), responsibilities of the Board of Governors include recruitment of support staff, overseeing financial management, upholding of staff and student discipline, maintenance of infrastructure & other assets, and sourcing for finances.

ii. Major roles and Functions of Board of Governors

The functions of the organs set out under section 28 (1) shall include —

- a) Overseeing the conduct of education and training in the Institutions in accordance with the provisions of this TVET Act and any other written law;
- b) Promoting and maintaining standards, quality and relevance in education and training in the Institutions in accordance with this TVET Act and any other written law;
- c) Administering and managing the property of the Institution;
- d) Developing and implementing the Institutions' strategic plan;
- e) Preparing annual estimates of revenue and expenditure for the Institution and incurring expenditure on behalf of the Institutions;
- f) Receiving, on behalf of the Institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the Institution or other bodies or persons;
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act 2013 Technical and Vocational Education and Training No. 29
- h) Mobilizing resources for the Institutions;
- i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- j) Regulating the admission and exclusion of students from the Institutions, subject to a qualifications framework and the provisions of this Act;
- k) Approving collaboration or association with other Institutions and industries in and outside Kenya
- l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;

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- m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the Institutions, in consultation with the TVET Authority;
- n) Making regulations governing organization, conduct and discipline of the staff and students;
- o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- p) Providing for the welfare of the students and staff of the Institutions;
- q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the Institutions; and
- r) Discharging all other functions conferred upon it by this Act or any other written law.

iii. Board of Governors Allowances

The board approved allowances to board members to cater for their transport and sitting allowances while attending meetings and other seminars or capacity building conferences called by the PS office.

iv. Meetings

- a. Full Board Meetings - are held once every term, but if there is an urgent need, a meeting can be convened.
- b. Board Committee Meetings, or working committees are held once every term

v. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following recommendations from the B.O.G nominating committee. The board consists of nine members. The Board of Governors for Wote Technical Training Institute serves for three years. The Board may set up sub-committees and assign them responsibilities as it may deem fit.

vi. Role and Functions of Board of Governors

The functions of the organs set out under section 28 (1) shall include —

- a. Overseeing the conduct of education and training in the Institutions in accordance with the provisions of this TVET Act and any other written law;
- b. Promoting and maintaining standards, quality and relevance in education and training in the Institutions in accordance with this TVET Act and any other written law;
- c. Administering and managing the property of the Institution;
- d. Developing and implementing the Institutions' strategic plan;
- e. Preparing annual estimates of revenue and expenditure for the Institution and incurring expenditure on behalf of the Institutions;
- f. Receiving, on behalf of the Institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the Institution or other bodies or persons;

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- g. Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- h. Mobilizing resources for the Institutions;
- i. Developing and reviewing programmes for training and to make representations thereon to the Board;
- j. Regulating the admission and exclusion of students from the Institutions, subject to a qualifications framework and the provisions of this Act;
- k. Approving collaboration or association with other Institutions and industries in and outside Kenya
- l. Recruiting and appointing trainers from among qualified professionals and practising trade`s persons in relevant sectors of industry;
- m. Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the Institutions, in consultation with the TVET Authority;
- n. Making regulations governing organization, conduct and discipline of the staff and students;
- o. Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- p. Providing for the welfare of the students and staff of the Institutions;
- q. Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the Institutions; and
- r. Discharging all other functions conferred upon it by this Act or any other written law.

vii. Board of Governors Allowances

The Institute gives cash allowances to board members to cater for their transport and sitting allowances.

viii. Meetings

- c. Full Board Meetings - are held Once Every Term
- d. Academic, Research and HRM Board Committee Meetings- Once Every Term
- e. Finance Infrastructure and development Committee - Once Every Term
- f Risk and Audit committee - Once Every Term

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9. Management Discussion and Analysis

i. Operational Performance;

The Institute undertook the following projects

- a.** Purchase of computers for Engineering and ICT students
- b.** Installation of 2 air conditioners in the board room
- c.** Purchase of furniture for both staff and students
- d.** Base preparation of the automotive student spraying shed
- e.** Extension of the college kitchen
- f.** Renovation and extension of the Institute Kitchen facilities
- g.** Construction of staff wash rooms annexed to the board room
- h.** Completion of student washrooms
- i.** Expansion of MR, PCC and internal auditor's offices

ii. Financial Performance

The entity is fairly stable financially. It operates on fees received from students, governments grant and Capitation.

Total revenue during the year decreased by 13.12% compared to the previous year. This was due to decreased Capitation grants from the GOK.

Overall performance during the year also decreased from ksh. **3,377,346.99** for the previous year to Ksh. **(3,087,485.27)**. This was largely contributed by non-recognition of Ksh. 11,432,000.00 as Income which was wired in our ABSA Operations account at the close of the financial but booked as income in the current Financial year.

Trade and other payables from exchange transactions increased from ksh.51,993,584.40 to ksh. 75,748,832.40 representing a 31.36% increase. This was majorly due to un-allocated funds to students amounting to Ksh. 23,391,347.00 from HELB, KUCCPS, NYS and GOK Capitation as at close of the Financial year. These amounts were booked as liability but had not been converted to Income (by allocating to students).

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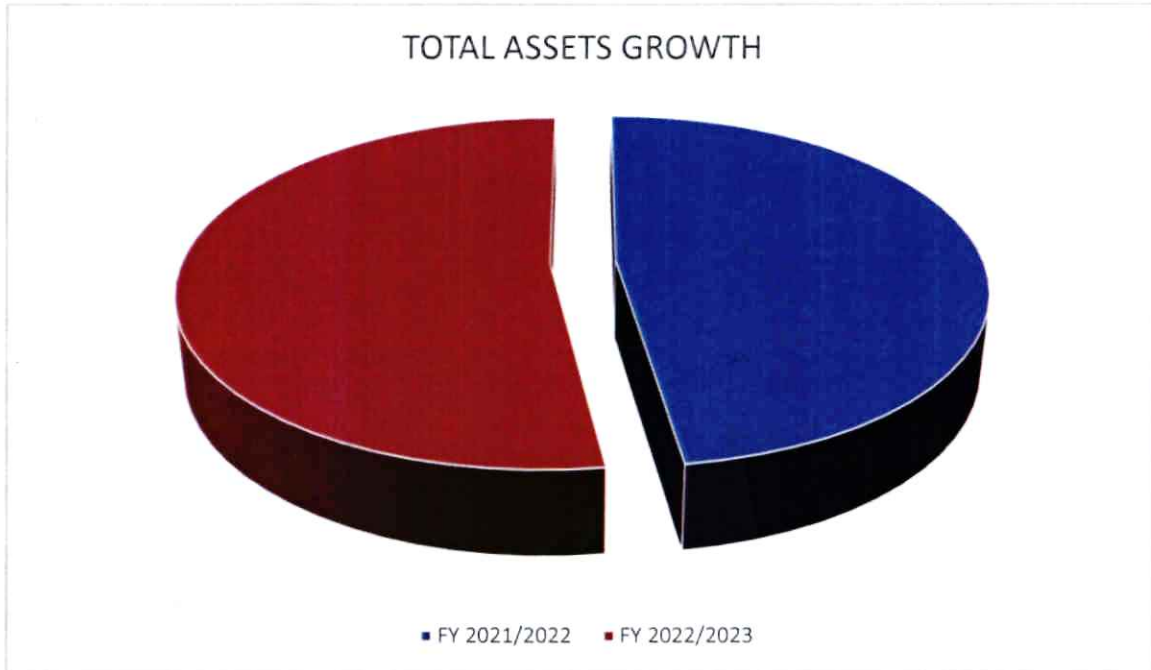


Liquidity Position

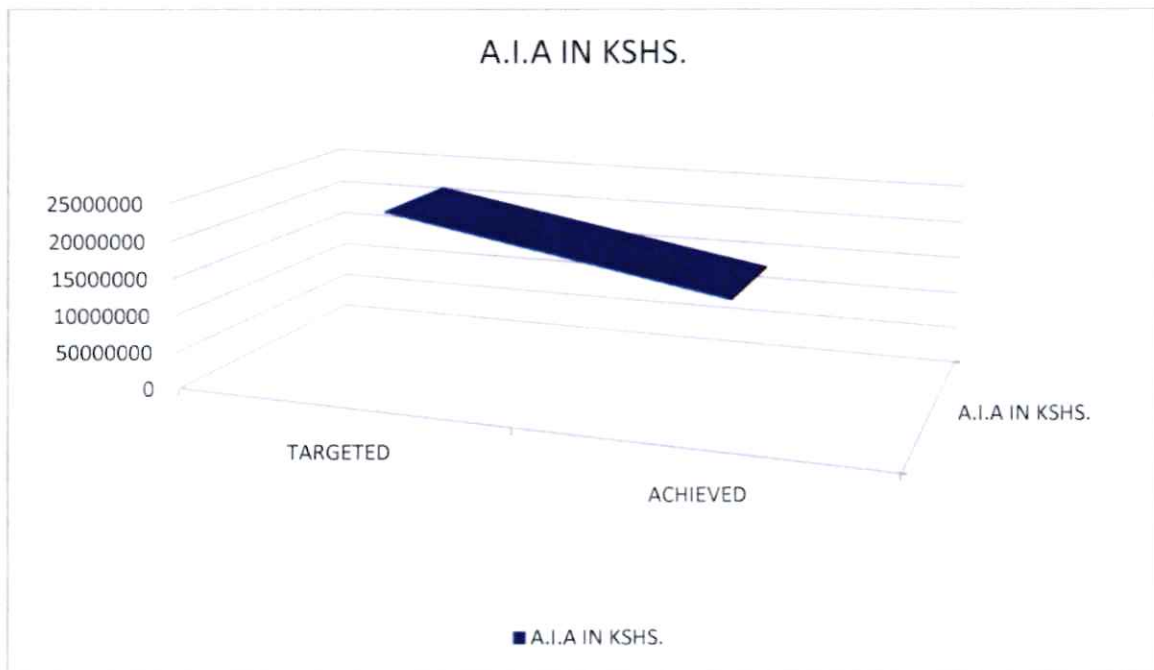
The liquidity position of the Institute during the year was fairly stable as indicated by liquidity ratio. Total current assets were ksh. **85,828,784.40** against total current liabilities of ksh. **79,150,712.40** representing a current ratio of 1.08:1

The value of total Assets increased from Ksh. 606,190,922.38 to Ksh. 612,003,439.14. This represents an increase of 0.96%. This was attributed by the continuous investment in Capital Projects.

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In the FY 2022/2023 the Institute targeted to raise A.I.A (Appropriation in Aid) of Kshs. **232,632,800.00**. By the end of the financial year the Institute had collected AIA amounting to Kshs **149,237,341.65** representing 35.8% short of the targeted amount. The Institute had trade Creditors of **ksh. 10,770,177.00** by close of the FY 2022/2023.



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Institute's compliance with statutory requirements

The Institute complies with various statutory requirements; e.g. deduction and remittance of P.A.Y.E, N.H.I.F, and N.S.S.F among others.

Major risks facing the entity

Student's unrest-, training materials, being occasioned by delayed disbursements of G.O.K
Capitation

Material arrears in statutory /financial obligations

At end of the financial year the Trade Creditors amounted to Ksh. **10,770,177.00** as shown in the attached aged creditors schedule.

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10. Environmental and Sustainability Reporting Statement

(Two-to-three pages)

Sustainability strategy and profile

WOTE Technical Training institute existing as a public institution has a mandate to transform the lives and the livelihood of the surrounding community. Our driving force behind everything is to impact skills, knowledge and attitudes to the learners who will transform all this into employable skills. It's what guides us to deliver our strategy, guided on the following principles: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence.

Wote Technical Training Institute is centrally placed within the County headquarters in Wote town and all the sub counties are growing at a fast pace hence creating employment and business opportunities. The bulk of these wage and self-employment opportunities are in the hard-core skill areas. These skills can be appropriately acquired through accredited training opportunities at Wote TTI.

The Vocational Training Sub-sector, despite being a major producer of self & formal employment opportunities, has not been able to perform as anticipated due to a number of reasons. To address the above a normally the Institute wishes to put diverse efforts in place to make sure the institution performs as mandated. One such effort is to develop a Sustainability Growth Plan (SGP). The main aim of the intervention is to map out a sustainable growth plan to increase access to diverse training opportunities and increase trainees' enrolment and retention to a realistic number of over 3000 by the end of 2023.

In the year under review, the Institute commits to undertake a baseline assessment, stakeholders' Mapping, SWOT & PESTEL analysis on the training needs and develop a Business Model through a consultant. The model will enable the institute to mobilize resources in a diverse way.

Environmental performance

a) Land Issue

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The entity has an issue of land. 5.9 Ha is not sufficient enough for any meaningful growth to cater for expansion and future development of the institute. The entity is committed to continuously pursue with the County Government to allocate more land to the institute.

b) Water sustainability

The entity is predominantly in an arid zone. In order to solve the problem of water shortage in the institute, the entity resolved to sink a borehole within the institute. An hydrological survey through the County government has been carried out to advice on environmental impact of the venture as well as to advice on support in drilling the borehole. Further to alleviate the same, the entity has a water bowser which assists to boost the water uptake within the institute.

Employee welfare

The entity has a Human Resource Management policy which guides the hiring process, procedures, regulations and other administrative procedures relating to hiring of human resources. Over the years, the Board of Governors (BOG) has continued to hire the services of non-teaching staff on permanent basis according to the Institute's needs and ability to pay salaries. Over the years, the BOG staffs have continued to feel part of the civil service. With the realization of the high cost of living, the board has now and again reviewed the salaries for its staff. However, the Board has maintained salaries that are affordable considering the low fee payable by parents for personal emolument.

Specifically, the policy manual intents to: -

- Ensure adherence to the Constitution as the supreme reference document and other government regulations.
- Ensure a common understanding by WTTI Staff of stipulated standards and procedures in monitoring their performance for continued improvement.
- Achieve optimum utilization of staff` skills and talents, in enhancing career development.
- Create a conducive working environment, positive relations, parity treatment of all cadres of staff and work life balance

As guided by the Constitution of Kenya, the ultimate objective of recruitment for the Board is to secure the highest standard of efficiency, competence and integrity without discrimination as to

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race, religion, colour, ethnic origin, political affiliation, sex or sexual orientation, pregnancy, marital status, disability, health or social status.

The authority to recruit and appoint the Board staff is vested on the Board and the recruitments are carried on a national competitive basis. Without prejudice to the recruitment of new staff at all levels, priority will be given to suitable employees. The Board commits to adhere to the equal opportunity principles. The Board believes that the diversity of staff contributes to its intellectual strength and effectiveness as an organization and therefore endeavours to operate an efficient system for distributing advertisements and position announcements to women and men nationwide, and to make selection of staff without discrimination. The Board offers a working environment which is sensitive to the needs of both male and female employees and recognizes the reward and recognition policy.

The entity has a strong policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

Market place practices-

Community Engagements-

We build trust with all stakeholders by ensuring that ethical decision making guides responsible procurement day to day activities. The institute advertises its annual tenders every two years through newspapers, institute website, social media platform, etc and ensures that the tendering process is run openly and fairly to select the best suitable vendors. Staff is guided by the code of conduct and procurement ethics thus ensures no unwanted information lands to unintended user. Our clients are free to make enquiries and seek clarifications when need arises.

The institute conduct due diligence on the vendors we engage with to avert the high risk of transacting with blacklisted companies.

The institute has great record in managing good supplier relation. We give timely orders to avoid unnecessary rush and panic buying which brings about misunderstanding. Once deliveries are done, the payment process starts and payment is done on the stipulated times in our service charter. Our suppliers are accorded professional service to ease operations. There are regular

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meetings held do to supplier evaluation to ensure the best is achieved and in case of any challenges they are ironed out

- a) The Institute applies ethical marketing in relation to standard of fairness or moral rights to what is of best interest to the institute. We ensure good publicity with our clients and the community at large. The institute every New Year makes some branded calendars and distributes freely to all the neighbouring churches, schools, government institutions. There are also brochures and fliers used mostly in road shows advertising. Quality and clear photos are frequently uploaded in the institute website showing the infrastructure development, teaching and learning activities and co-curricular activities. Occasionally there are paid adverts in local dailies and radios.

- b) For product stewardship, we demand our suppliers and vendors to adhere to our QMS and to disclose detailed information about their products particularly in areas where public health or safety is an issue as with food and automobiles. This helps us make better choices.

Corporate Social Responsibility / Community Engagements

During the year under review, the entity sought further on the areas requiring intervention through CSR approach. The entity established and empowered the Guidance and Counselling department to seek to help the community on the following areas;

- a) Youth in HIV and AIDs awareness and prevention activities.
- b) The Institute Hair Beauty and Therapy department trains the Prison women matters Hair and beauty therapy at NITA grade III
- c) We also take part in planting of trees during the County tree planting days.

The Institute intends to engage the trainers in transmitting the information to the community during our community outreach activities.

- d) Empowering young mothers in economic activities within the society.

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During the year, the Institution mapped out and analysed the common areas of mutual engagement with the community in the following areas;

- a) We have developed a strong engagement with the Boda boda riders to curb thuggery and molestation of our female students.
- b) Institute is engaged in various sporting activities with the community social clubs.
- c) Small businesses e.g. Retail, M-pesa, saloons.
- d) Agribusiness – farming of Mangoes, oranges.

From the above findings, the entity undertakes to corroborate with community under the following areas of skills upgrading:

1. Skills upgrading for the CTTIs trainers as and when need arises.
2. Training the youths on various areas of need based on skills gap and a targeted outcome for varying Youth groups from the County.
 - a) Jua-kali skills in the areas of Welding and fabrication, Plumbing, Masonry, Auto-electrics, Motor vehicle mechanics.
 - b) Hair dressing and beauty therapy.
 - c) Entrepreneurial skills.
 - d) Employability and digital literacy skills.
 - e) Boda Boda rider awareness and sensitization on road safety, importance of insurance and good customer relationships among others

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11. Report of the Council/Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the entity's affairs.

Principal activities

The core mandate of the Institute is providing knowledge and skills to the people of Makueni County and the nation at large. The Mandate of Wote Technical Training Institute is to train, impart skills, knowledge and Institutionalize effective research and development geared towards production of competent graduates who will contribute to high and sustainable social-economic development.

Results

The results of the entity for the year ended 30th June, 2023 are set out on page 1 to 11

Board of governors

The members of the Board who served during the year are shown on pages' x - xii. During the year ended June 30, 2023no member retired/ resigned and none was appointed.

Auditors

The Auditor General is responsible for the statutory audit of **WOTE TECHNICAL TRAINING INSTITUTE** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board



Secretary of the Board
Makueni

Date: 11/03/2025

CHIEF PRINCIPAL
WOTE TECHNICAL TRAINING INSTITUTE
P. O. Box 377-90300, MAKUENI
info@wotetti.ac.ke
TEL: 0728 658 649 / 0787 294 782

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12. Statement of Board of Governors/ Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - require BOG members to prepare financial statements in respect of Wote Technical Training Institute. The statements give a true and fair view of the state of affairs of the Institute at the end of the financial 2022/2023 and the operating results of Wote Technical Training Institute for the period 2022/2023. Board members are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of Wote Technical Training Institute. The BOG members are also responsible for safeguarding the assets of the Institute.

This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

Approval of the financial statements

Wote Technical Training Institute Amended financial statements were approved by the Board on 11th March 2025 and signed on its behalf by:

Name: Prof. Joseph M. Mwinzi

Name: Joshua K. Munywoki

Signature.....

Signature.....

Chairperson of the Board/Council

Accounting

Officer/Principal 11/03/2025

Date: 11/03/2025

REPORT OF THE AUDITOR-GENERAL ON WOTE TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of Wote Technical Training Institute set out on pages 1 to 52 which comprise of statement of financial position as at 30 June, 2023, the statement of financial performance, statement of changes in net assets, statement of

cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by MGI Alekim LLP, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report the financial statements present fairly, in all material respects, the financial position of Wote Technical Training Institute as at 30 June, 2023 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 Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Long Outstanding Current Portion of Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 24(a) to the financial statements reflect current portion of receivables from exchange transactions balance of Kshs.73,998,226. Included in the balance is Kshs.72,262,866 relating to student debtors out of which Kshs.5,486,730 has been outstanding for more than three (3) years. In addition, the Institute did not have a debt management policy and no measures have been put in place to recover the long outstanding debts.

In the circumstances, the accuracy, validity and recoverability of current portion of receivables from exchange transactions balance of Kshs.5,486,730 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipt budget and actual amount on comparable basis of Kshs.232,632,800 and Kshs.170,439,342 respectively, resulting to under-funding of Kshs.62,193,458 or approximately 27% of the budget.

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

2. Long Outstanding Trade and Other Payables from Exchange Transactions

The statement of financial position and as disclosed in Note 30 to the financial statements reflect trade and other payables from exchange transactions balance of Kshs.75,748,832. Included in the balance is Kshs.18,544,134 that has been outstanding for more than one year. Management has not demonstrated the efforts put in place to settle the liabilities, which exposes the Institute to litigations and the risk of incurring penalties and interest for late payments.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the report on Financial Statements and Report on lawfulness and Effectiveness in Use of Public Resources which have remained unresolved as at 30 June, 2023.

Other Information

Management is responsible for the other information set out on pages iii to xxxvi which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Senior Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Board of Governors and Statement of Board of Governor's Responsibilities. The other information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Comply with National Industrial Training Authority (NITA) Regulations

Review of employees cost records revealed that the institution did not remit NITA levy to the Commissioner General of Kenya Revenue Authority for the period July 2022 to June 2023. This is contrary to Section 5B (3) of the Industrial Training (Amendment) Act, 2022 which stipulates that an employer shall pay the training levy to the Commissioner General at the time when an employee's salary is payable and shall be remitted to the Commissioner General not later than the fifth day of the month following the month in which the levy becomes due.

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, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of the Management and Those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions

and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

06 May, 2025

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14. Statement of Financial Performance For The Year Ended 30 June 2023

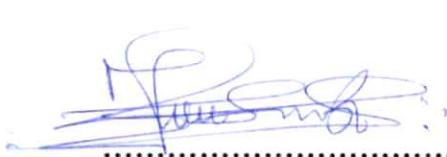
	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government Entities	6	21,202,000	47,760,000
		21,202,000	47,760,000
Revenue from exchange transactions			
Rendering of services- Fees from students	7	138,816,144	140,172,062
Sale of goods	8	2,534,346	2,510,627
Rental revenue from facilities and equipment	9	2,715,809	3,068,968
Finance income-external investments	10	3,361,592	2,342,095
Miscellaneous income	11	1,809,450	321,880
Revenue from exchange transactions		149,237,342	148,415,632
Total revenue		170,439,342	196,175,632
Expenses			
Use of goods and services	12	118,416,605	133,475,454
Employee costs	13	28,886,273	27,042,966
Depreciation and amortization expense	14	1,720,544	15,858,357
Repairs and maintenance	15	18,400,695	14,577,308
Contracted Services	16	3,388,661	-
Grants and Subsidies	17	-	352,420
Board Expenses	18	2,714,050	1,491,781
Finance costs	19	-	-
Total expenses		173,526,827	192,798,285
Other gains/(losses)			
Gain on sale of assets	20	-	-
Unrealized gain on fair value of investments	21	-	-

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Impairment loss	22	-	-
Total other gains/(losses)		-	-
Net Surplus/ (Deficit) for the year		- 3,087,485	3,377,347
Attributable to:			
Surplus/(deficit)		-	-
Surplus attributable to owners of the controlling entity		-	-

(The notes set out on pages 12 to 50 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 01 to 11 were signed by:



Prof. Joseph M. Mwinzi
Chairman of Council/Board

Date: 11/03/2025

SENIOR FINANCE OFFICER
WOTE TECHNICAL TRAINING INSTITUTE
P. O. Box 377 - 90300, MAKUENI
Email: info@wotetti.ac.ke
 11/03/25 SIGN 

CPA John Kimiti
Finance Officer
ICPAK No

Date: 11/03/2025



Joshua Munywoki
Principal

Date: 11/03/2025

CHIEF PRINCIPAL
WOTE TECHNICAL TRAINING INSTITUTE
P. O. Box 377-90300, MAKUENI
info@wotetti.ac.ke
TEL: 0728 658 649 / 0787 294 782

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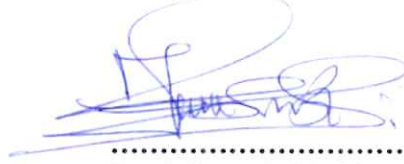
15. Statement of Financial Position as at 30th June 2023

	Notes	2022-2023 Kshs	2021-2022 Kshs
Assets			
Current assets			
Cash and cash equivalents	23	11,306,249	110,600,262
Current portion of receivables from exchange transactions	24(a)	73,998,226	40,088,018
Receivables from non-exchange transactions	25	-	-
Inventories	26	524,309	416,559
		85,828,784	151,104,840
Non-current assets			
Property, plant and equipment	27-28	526,174,655	455,086,083
Investments	29	-	-
		526,174,655	455,086,083
Total assets		612,003,439	606,190,922
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	30	75,748,832	51,993,584
Refundable deposits from customers	31	3,401,880	1,855,170
Current portion of borrowings		-	-
Deferred income		-	-
Employee benefit obligation		-	-
Payments received in advance		-	-
		79,150,712	53,848,754
Non-current liabilities			
Non-current employee benefit obligation		-	-
Non-current provisions		-	-
Borrowings		-	-
Service concession liability		-	-
Deferred tax liabilities		-	-
		-	-

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Totalliabilities		79,150,712	53,848,754
Netassets			
Revaluation reserves		1,971,320	-
Accumulated surplus		411,915,163	411,508,561
Capital Fund		122,908,884	140,833,607
Totalnetassetsandliabilities		612,003,439	606,190,922

The Financial Statements set out on pages 01 to 11 were signed by:



SENIOR FINANCE OFFICER
WOTE TECHNICAL TRAINING INSTITUTE
P. O. Box 377 - 90300, MAKUENI
Email: info@wotetti.ac.ke

11/03/25 SIGN



Prof. Joseph M. Mwinzi

CPA John Kimiti

Joshua Munywoki

Chairman of Council/Board

Finance Officer

Principal

ICPAK No

Date: 11/03/2025

Date: 11/03/2025

Date: 11/03/2025

CHIEF PRINCIPAL
WOTE TECHNICAL TRAINING INSTITUTE
P. O. Box 377-90300, MAKUENI
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TEL: 0728 658 649 / 0787 294 782

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16. Statement of Changes in Net Asset for the Year Ended 30 June 2023

	Revaluation reserve	Accumulated Surplus	Capital Reserves	Total Reserves
At July 1, 2021	-	583,213,246	23,466,667	606,679,913
Revaluation gain	-	-	-	-
Surplus (deficit) for the Year	-	3,377,347		3,377,347
Capital/Development grants received during the year	-	-	117,366,940	117,366,940
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	-
*Adjustments from opening balance equity account to revenue reserves	-	-175,082,032	-	-
At June 30, 2022	-	411,508,561	140,833,607	727,424,200
				-
At July 1, 2022	-	411,508,561	140,833,607	552,342,168
Revaluation gain	-1,971,320	-	-	- 1,971,320
Surplus (deficit) for the Year	-	- 3,087,485		- 3,087,485
Capital/Development grants received during the year	-	-	16,687,325	16,687,325
Transfer of depreciation/amortization from capital fund to retained earnings	-	-		-
*Adjustments to correct transition system errors from the previous years		3,494,087	-34,612,048	- 31,117,961
At June 30, 2023	- 1,971,320	411,915,163	122,908,884	532,852,727

*The above adjustment of Ksh. 3,494,087.00 was due to transition system errors from the previous MIS system to the current ERP system

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Note:

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

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17. Statement of Cash Flows for The Year Ended 30 June 2023

		2022-2023	2021-2022
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities/Govt. grants	6a	21,202,000	47,760,000
Public contributions and donations		-	-
Rendering of services- Fees from students	7	138,816,144	140,172,062
Sale of goods	8	2,534,346	2,510,627
Rental revenue from facilities and equipment	9	2,715,809	3,068,968
Finance income	10	3,361,592	2,342,095
Miscellaneous Income	11	1,809,450	321,880
Total Receipts		170,439,342	196,175,632
Payments			
Employees Costs	13	28,886,273	27,042,966
Use of goods and services	12	118,416,605	133,475,454
Finance cost	18	-	-
Repairs and Maintenance	15	18,400,695	14,577,308
Contracted Services	16	3,388,661	-
Grants and Subsidies	17	-	352,420
Board Expenses	18	2,714,050	1,491,781
Taxation paid		-	-
Other payments		-	-
Total Payments		171,806,283	176,939,928
Net cash flows from operating activities	32	-1,366,942	19,235,704
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	PPE	-106,430,062	-52,825,408

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Proceeds from sale of property, plant and equipment		-	-
Proceeds from sale of Investments		-	-
Capital Grants	6a	122,908,884	117,366,940
Net cash flows used in investing activities		16,478,822	83,777,236
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Other adjustments			
Changes in Working Capital		-114,405,893	-4,411,220
Net cash flows used in financing activities		-114,405,893	79,366,016
Net increase/(decrease) in cash and cash equivalents		-99,294,013	79,366,016
Cash and cash equivalents at 1 July 2022		110,600,262	31,234,246
Cash and cash equivalents at 30 JUNE 2023	23	11,306,249	110,600,262

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

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18. Statement of Comparison of Budget Actual amounts for the yearended 30 June 2023

	Originalbudget	Adjustments	Finalbudget	Actualon comparable basis	Performance difference	Utilisation Difference
	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023
	a	b	c=a+b	d	e =c-d	f=e/d %
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Government entities grants	-	-	-	21,202,000	21,202,000	100.00
Publiccontributionsanddonations	-	-	-	-	-	
Renderingofservices- Fees from students	227,328,800	-	227,328,800	138,816,144	88,512,656	63.76
Saleofgoods	1,290,000	-	1,290,000	2,534,346	1,244,346	49.10
Rental revenue from facilities and Equipment	1,024,000	-	1,024,000	2,715,809	1,691,809	62.29
FinanceIncome	1,020,000	-	1,020,000	3,361,592	2,341,592	69.66
Miscellaneous Income	1,970,000	-	1,970,000	1,809,450	160,550	8.87
Gainsondisposal andagencyfees	-	-	-	-	-	
Totalincome	232,632,800	-	232,632,800	170,439,342	62,193,458	
Expenses						
Use of Goodsandservices	178,328,728	-11,388,500	166,940,228	118,416,605	48,523,623	40.98
Employees Costs	33,957,680	-	33,957,680	28,886,273	5,071,407	17.56
Board Expenses	6,000,000	-	6,000,000	2,714,050	3,285,950	121.07

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Repairs and Maintenance	10,046,392	11,388,500	21,434,892	18,400,695	3,034,197	16.49
Contracted Services	4,000,000	-	4,000,000	3,388,661	611,339	18.04
Grants and subsidies	300,000	-	300,000	-	300,000	-
Total expenditure	232,632,800	-	232,632,800	171,806,283	60,826,517	
Surplus for the period	-	-	-	-1,366,942	1,366,942	
Capital Expenditure	195,598,496		195,598,496	106,430,062	89,168,434	

*Transfers from other Government entities grants is Capitation grant that had not been budgeted as a line item but rather as part of fees from students hence a negative variance of 100%

*The underperformance in Rendering of services (Fees from students) was occasioned by low enrolment and also hard economic times in the country hence positive variance of 63.76%

*There was over performance in Sale of goods and Rental revenue from facilities and Equipment and other Incomes due to increased marketing of the institution resulting to the negative variances

*There was over performance in Finance income due to increased fixed deposits hence the negative variance of 69.66%

*There was low absorption in Use of Goods and services due to late fee and capitation payment resulting the positive variance of 40.98%

*Controlled number of meetings for the board members resulted to the positive variance of 121.07% on remuneration of directors expenditure

RECONCILIATION STATEMENT

INCOME	KSH.
Statement of Financial Performance	170,439,342
Statement of Comparison of budget & actual	170,439,342
EXPENDITURE	
Statement of Financial performance	<u>173,526,827</u>
Statement of Comparison of budget & actual	171,806,283
Add: Depreciation	<u>1,720,544</u>
Sub Total	<u>173,526,827</u>

WOTE TECHNICAL TRAINING INSTITUTE
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(Budget notes)

- 1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14*
- 2. Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes (IPSAS 24.29)*
- 3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis; statement of financial performance is accrual) provide a reconciliation*

WOTE TECHNICAL TRAINING INSTITUTE
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19. Notes to the Financial Statements

1. General Information

Wote 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 principal activity/mission of Wote TTI is to train highly skilled workforce that is responsive to national and global competitiveness, implementing training in TVET programs, carrying out research programs, and innovation into products and services

2. Statement of Compliance and Basis of Preparation

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

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

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

WOTE TECHNICAL TRAINING INSTITUTE
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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

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. <p><i>(The impact is more quality Financial statements and better disclosures)</i></p>
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> <ol 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. <p><i>(The impact is more quality Financial statements and better disclosures)</i></p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ol style="list-style-type: none"> 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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was

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Standard	Effective date and impact:
	<p>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> <p><i>(The impact is more quality Financial statements and better disclosures)</i></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. <p><i>(The impact is more quality Financial statements and better disclosures)</i></p>

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows 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><i>(The impact is more quality Financial statements and better disclosures)</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</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> <p><i>(The impact is more quality Financial statements and better disclosures)</i></p>

iii. Early adoption of standards

Wote Technical Training Institute did not early-adopt any new or amended standards in year 2023

4. Summary of Significant Accounting Policies

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

Transfers from other government entities

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

- ii) **Revenue from exchange transactions**

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

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Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2022/2023 was approved by the Council or Board on **25.06.2022** Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of **Ksh. 17,488,500.00** on the FY 2022/2023 budget following the Council/ 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 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 on page **10** of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule **xxx** of the ***Income Tax Act***.

Sales tax/ Value Added Tax

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

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

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

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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 an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit (entity to amend appropriately).* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

WOTE TECHNICAL TRAINING INSTITUTE
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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual 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 are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

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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.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The *Entity* 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. (*the entity to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies*)

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

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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 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, 2023.

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Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

(a) Transfers from other National Government entities

Description	2022-2023	2021-2022
	KShs	KShs
Unconditional grants		
Capitation grants	21,202,000.00	47,760,000.00
Others	0.00	0.00
Total unconditional grants	21,202,000.00	47,760,000.00
Conditional grants amortised		
Machakos Town TVC	41,658,884.00	16,342,730.00
Kitui East TVC	-	26,024,210.00
Kilome TVC	42,500,000.00	40,000,000.00
Kitui Rural TVC	38,750,000.00	35,000,000.00
Total Conditional grants	122,908,884.00	117,366,940.00
Total government grants and subsidies	144,110,884.00	165,126,940.00

*Capitation is a grant given by the government to subsidize the cost of education

*Kitui East TVC was completed and handed over and all transfers from national government written off against the work in progress cost hence nil balance for the current financial year

(b) Transfers from other Government entities (Categorized)

Name of the Entity sending the grant	Amount recognized in Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognized in Capital Fund KShs	Total Grant during the period KShs	Comparative period KShs
Ministry of Education	21,202,000.00	-	122,908,884.00	144,110,884.00	165,126,940.00
Total	21,202,000.00	-	122,908,884.00	144,110,884.00	165,126,940.00

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

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

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

The details of the reconciliation have been included under appendix xxx

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Notes to the Financial Statements (Continued)

7 RENDERING OF SERVICES

Description	2022-2023	2021-2022
	KShs	KShs
Accommodation fee(Boarding)	8,381,430.00	13,705,030.00
Activity Fees	2,828,814.00	1,267,450.00
Administrative Incomes.	-	0.00
Application Fees	726,891.60	769,550.00
Centre Fee	159,440.00	259,760.00
Driving Course	2,044,850.00	1,893,500.00
E.W.C	1,772,460.00	3,400,805.00
Exam Material Fees	1,382,200.00	3,776,600.00
Industrial Attachment.	3,394,635.20	2,894,895.00
LT&T Fees	3,085,951.96	4,353,720.80
Medical Fees	2,865,900.00	2,566,000.00
Personnel Emoluments	17,402,020.00	3,738,735.00
Practical fees	11,408,800.00	3,382,800.00
Registration Fees	-	0.00
Repairs Maintenance and Improvements	4,681,520.40	4,252,574.00
Start Up Kit	275,000.00	220,000.00
Student Council	1,651,296.80	2069345.40
Tuition Fees	52,592,414.19	52,812,794.40
Staff Salary Advance Income	-	0.00
Students Insurance Fee	1,069,600.00	1,044,825.00
Examination Fees	23,068,920.00	35,263,677.40
Machakos TTI For the Blind Income	-	2,500,000.00
Learning Materials	24,000.00	-
Total revenue from the rendering of services	138,816,144.15	140,172,062.00

*Rendering of services includes fees collected from students.

7. Sale of Goods

Description	2022-2023	2021-2022
	KShs	KShs
Sale of goods		
FB Practical Sales	113,200.00	248,100.00
Hair & Beauty Practical Proceeds	10,020.00	43,400.00
Cafeteria Sales	2,403,126.00	2,219,127.00
Sale of dry Grass	8,000.00	0.00
Total revenue from the sale of goods	2,534,346.00	2,510,627.00

*These are activities the institute engaged in which are not directly linked to the academic activities of the institution.

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8. Rental revenue from facilities and equipment

Description	2022-2023	2021-2022
	KShs	KShs
Rent from Institute Canteen	24,000.00	14,000.00
Hire of Institute Facilities Income	2,691,809.40	3,054,968.00
Total	2,715,809.40	3,068,968.00

*This relates to the income received from hiring of institute facilities to external institutions.

Notes to the Financial Statements (Continued)

9. Finance Income

Description	2022-2023	2021-2022
	KShs	KShs
Cash investments and fixed deposits	3,361,592.10	2,342,095.00
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	3,361,592.10	2,342,095.00

*The Cash investments and fixed deposits income relates to short term fixed deposits at ABSA Bank

10. Miscellaneous Income

Description	2022-2023	2021-2022
	KShs	KShs
Exam Irregularity (Re-sit Paper)	81,000.00	62,200.00
Disposal Proceeds	-	42,230.00
Income from sale of Tender	4,000.00	29,000.00
Exam re-booking Administration	-	23,000.00
Institute Branded Shirts and Blouses	6,500.00	21,450.00
In-house Training on Cross Cutting Issues	-	144,000.00
Graduation Proceeds	1,050,000.00	-
External Trainings	76,500.00	-
Student ID/Smart Card Replacement	53,000.00	-
Internal Exam Refer	538,450.00	-
Total other income	1,809,450.00	321,880.00

*This relates to the income received from other sources

Notes To the Financial Statements (Continued)

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11. Use of Goods and Services

Description	2022-2023	2021-2022
	KShs	KShs
Accommodation & Meals	13,797,996.00	20,343,423.50
Activity Expense	6,031,630.00	3,192,842.50
Administrative expense	7,237,512.00	10,214,970.35
Marketing & Publicity	2,483,055.00	2,264,863.00
Examination Booking	18,345,089.45	20,507,722.00
Driving School Expenses	442,270.00	310,521.00
Exam Materials Expense	7,965,971.00	19,989,310.50
FB Practical Expense	5,315,541.50	4,911,638.05
Medical Expense	782,279.00	260,153.00
Registration Expense	731,167.00	478,000.00
Stationeries	2,745,866.00	3,234,930.00
Student Insurance Expense	331,600.00	368,800.00
Tuition Expense	12,875,703.01	6,677,606.21
Vehicle Insurance Expense	947,120.00	659,453.00
E.W.C Expense	-	3,508,140.14
Catering, Conferences, and Delegations	1,433,443.00	1,137,491.00
Staff Training/Development & Capacity Building	5,270,547.00	6,677,134.60
Covid 19 Response Expenses	-	54,065.00
KATTI/CAPA	100,000.00	0.00
Industrial Attachment Assessment & Linking	2,737,309.60	2,284,305.00
Electricity Expense	2,356,785.00	0.00
Water Expense	988,511.00	0.00
Security Services	1,975,466.00	1,858,522.00
Cleaning Services	2,781,632.00	3,823,100.00
Local Travel, Transport and Accommodation	2,151,796.00	7,372,777.24
Machakos TTI For the blind Exam Booking	-	2,500,000.00
H.E.L.B Expense	-	30,000.00
Upgrading of Playing Field	-	1,528,790.00
Fencing of institute land	-	637,040.00
Town Campus Expenses	965,580.00	1,207,604.00
Hair and Beauty Practical Expense	532,577.00	228,550.00
Bank Charges.	71,315.17	238,386.14
Kilome TVC Mentoring expenses	336,433.70	25,000.00
Kitui Rural TVC Mentoring expenses	356,978.70	25,000.00

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Student Council Expenses	593,775.00	1,186,780.00
Fuel and Oil	2,536,903.40	-
Benchmarking Expense	38,440.00	-
System Security and Maintenance Expense	992,880.00	-
Research and Innovation Expense	797,440.00	-
Career Services Expense	149,000.00	-
Kitui East TVC Mentoring expenses	310,450.00	-
Machakos Town TVC Mentoring expenses	17,080.00	-
Hostels Rent and Electricity Expense	2,621,485.00	-
performance Contracting and ISO Expenses	1,486,515.00	5,738,535.60
Academic Trips	583,915.00	-
Guidance and Counselling Expenses	186,200.00	-
Tender Evaluation Committee Expenses for the Proposed TVC	1,795,500.00	-
Audit Fee Expense	232,000.00	-
Graduation Expenses	3,983,847.00	-
Total good and services	118,416,604.53	133,475,453.83

*These are operational costs incurred on day to day running of institute activities

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Notes To the Financial Statements (Continued)

12. Employee Costs

	2022-2023	2021-2022
	KShs	KShs
Salaries and Wages	25,923,721.00	26,549,066.00
performance and Other Bonuses	-	31,000.00
Overtime Payments	336,466.00	106,700.00
Staff Salary Advance Expense	-	356,200.00
P.A.Y.E	522,671.00	-
N.S.S.F	1,118,880.00	-
N.H.I.F	820,050.00	-
Annual Leave allowance	164,485.00	-
Employee costs	28,886,273.00	27,042,966.00

*The statutory deductions were in the previous year lumped together under salaries and wages hence nil comparative balance

13. Depreciation and Amortization expense

Description	2022-2023	2021-2022
	KShs	KShs
Depreciation on Buildings and Site Works	502,752.05	5,984,219.77
Depreciation on Motor Vehicles	262,474.65	1,623,894.38
Depreciation on Computers and Accessories	118,635.26	2,864,873.20
Depreciation on Furniture and Fittings	159,322.58	705,085.64
Depreciation on Plant and Equipment	621,642.41	2,308,707.20
Depreciation on Office Equipment	-	601,494.92
Depreciation on Intangible Assets	55,716.70	1,770,081.48
Total depreciation and amortization	1,720,543.65	15,858,356.58

*The institute depreciates its assets on a reducing balance methods as per the rates indicated in the Finance policy

*Office Equipment was reclassified under Computers and accessories on revaluation hence nil depreciation in the current financial year

14. Repairs and Maintenance

Description	2022-2023	2021-2022
	KShs	KShs
Vehicle Repairs	483,020.14	967,013.00
Property Repairs	16,177,082.80	11,624,053.60
Equipment and Machinery Repairs	583,146.00	551,084.00
Furniture and Fittings Repairs	319,874.00	79,600.00
Computer and accessories Repairs	351,030.00	209,050.00
Repairs , Maintenance and Improvement	-	1,146,507.00
Upgrading and Maintenance of Sporting Field	246,542.00	-
Students Learning and Recreation Grounds Maintenance	-	-

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	240,000.00	
Total repairs and maintenance	18,400,694.94	14,577,307.60

Notes To the Financial Statements (Continued)

15. Contracted Services

Description	2022-2023	2021-2022
	KShs	KShs
Asset Tagging and Valuation	3,388,660.80	0.00
Total director emoluments	3,388,660.80	-

16. Grants and Subsidies

Description	2022-2023	2021-2022
	KShs	KShs
Research Grants Expenses	-	352,420.00
Total director emoluments	-	352,420.00

17. Board/Council Expenses

Description	2022-2023	2021-2022
	KShs	KShs
B.O.G Members Meeting Allowances	475,580.00	1,491,781.00
Board Committees Emoluments	633,000.00	0.00
BOG Ad-hoc meetings Emoluments(Special sittings)	1,542,350.00	0.00
Full Board and Committees Trainings/Induction of new Board	63,120.00	0.00
Total director emoluments	2,714,050.00	1,491,781.00

18. Finance Costs

Description	2022-2023	2021-2022
	KShs	KShs
Interests on borrowing	-	-
Total finance costs	-	-

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

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Notes To the Financial Statements (Continued)

19. Gain On Sale of Assets

Description	2022-2023	2021-2022
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalized	-	-
Total gain on sale of assets	-	-

20. Gain/(loss) on Fair Value Investments

Description	2022-2023	2021-2022
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

21. Impairment Loss

Description	2022-2023	2021-2022
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total impairment loss	-	-

22. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	KShs	KShs
Current Accounts	11,268,438.15	39,229,632.16
On Call Deposits Accounts	-	64,160,000.00
Undeposited Funds	-	7,077,530.00
Petty Cash	37,811.00	133,100.00
Total	11,306,249.15	110,600,262.16

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

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Notes To The Financial Statements (Continued)

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

Financial institution	Account number	Period ended 30	Audited Prior Year
		June 2023	
		KShs	KShs
a) Current account			
KCB Main A/C	1105324559	2,098,750.26	4,019,660.34
ABSA Operational A/C	2021583580	2,795,105.99	12,046,116.42
ABSA Development A/C	2021593047	- 30.00	- 30.00
ABSA Machakos Town TVC A/C	2041519951	1,340.00	194,118.00
KCB Kitui East TVC A/C	1262969506	8.00	2,972,879.00
ABSA KITUI RURAL TVC	2044608661	1,560,155.70	9,998,444.20
ABSA KILOME TVC	2044607290	4,813,108.20	9,998,444.20
Sub- total		11,268,438.15	39,229,632.16
b) On Call Deposits			
Absa Bank Wote TTI F.Deposit A/C A	2045110330	-	30,000,000.00
Absa Bank Wote TTI F.Deposit A/C B	2045111132	-	25,000,000.00
Absa Bank Wote TTI F.Deposit A/C C	2046445069/1	-	9,160,000.00
Sub- total		-	64,160,000.00
c) Others(specify)			
Unposted Funds		-	7,077,530.00
Petty Cash		37,811.00	133,100.00
Mobile Money account(m-pesa)		-	-
Sub- total		37,811.00	7,210,630.00
Grand total		11,306,249.15	110,600,262.16

*The overdrawn Absa operations account as explained through a bank reconciliation statement, was due to uncredited receipts to the cash book as at 30/06/2023

*The following accounts as indicated in the above table belong to Mentee institutions and therefore Wote TTI is only holding the money in Trust. On receipt, the funds were recognized as transfers from the national Government Ministries and recorded in the statement of Financial position as capital Fund(Note 6a,b)

Details	A/C Number	Amount	Remarks
ABSA Machakos Town TVC A/C	2041519951	1,340.00	Machakos Town TVC
KCB Kitui East TVC A/C	1262969506	8.00	Kitui East TVC
ABSA KITUI RURAL TVC	2044608661	1,560,155.70	Kitui Rural TVC
ABSA KILOME TVC	2044607290	4,813,108.20	Kilome TVC
Total		6,374,611.90	

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Notes to the Financial Statements (Continued)

23. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2022-2023	2021-2022
	KShs	KShs
Currentreceivables		
Student Debtors	72,262,866.25	38,606,285.40
Sundry Debtors	284,590.00	1,134,200.00
Internal Debtors	1,120,500.00	304,533.00
Staff Salary Advance	-	43,000.00
Kitui East TVC Preliminary Support(Repayable)	330,270.00	
Less: impairment allowance	-	-
Totalcurrentreceivables	73,998,226.25	40,088,018.40

24 (b) Long- term Receivables from Exchange transactions

Description	2022-2023	2021-2022
	KShs	KShs
Non-currentreceivables		
Refundable deposits	-	-
Advance payments	-	-
Publicorganizations	-	-
Less: impairment allowance	-	-
Total	-	-
Currentportiontransferredtocurrentreceivables	-	-
Totalnon-currentreceivables	-	-
Totalreceivables	73,998,226.25	40,088,018.40

24 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2022-2023		2021-2022	
	KShs	% of Total	KShs	% of Total
Less than 1 year	49,058,541.85	66.30	24,645,504.24	61.47847966
Between 1-2 years	11,971,048.51	16.18	7,721,257.08	19.26076017
Between 2-3 years	7,481,905.32	10.11	3,218,678.00	8.029027446
Over 3 years	5,486,730.57	7.41	4,502,579.08	11.23173272
Total	73,998,226.25	100.00	40,088,018.40	100

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Notes to the Financial Statements (Continued)

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

Description	2022-2023		2021-2022	
	KShs		KShs	
At the beginning of the year	-	-	-	-
Additional Provisions during the year	-	-	-	-
Less: Recovered during the year	-	-	-	-
Less: Write offs during the year	-	-	-	-
At the end of the year	-	-	-	-

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

24. Receivables from Non-Exchange transactions

Description	2022-2023		2021-2022	
	KShs		KShs	
Currentreceivables				
Capitation grants*	-	-	-	-
Transfers from other govt. entities	-	-	-	-
Undisbursed donor funds	-	-	-	-
Otherdebtors(non-exchangetransactions)	-	-	-	-
Less: impairmentallowance	-	-	-	-
Totalcurrentreceivables	-	-	-	-

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

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

Description	2022-2023		2021-2022	
	KShs	% of Total	KShs	% of Total
Less than 1 year	-	-	-	-
Between 1-2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

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

Description	2022-2023	2021-2022
	KShs	KShs
At the beginning of the year	-	-
Additional Provisions during the year	-	-
Less: Recovered during the year	-	-
Less: Write offs during the year	-	-
At the end of the year	-	-

25. Inventories

Description	2022-2023	2021-2022
	KShs	KShs
Repairs and Maintenance Stores	38,300.00	87,300.00
Foodstuff Stores	408,600.00	264,309.00
Mattress Stores	-	-
Central Stores	30,465.00	35,050.00
Fuel and Detergents Stores	46,944.00	29,900.00
Totalcurrentreceivables	524,309.00	416,559.00

*These are the inventory values as provided by the procurement officer

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Notes to the Financial Statements (Continued)

26. Property, Plant and Equipment

Description of Assets	Land and Buildings		Motor Vehicles		Computer & Appliances		Furniture and fittings		Plant & Equip		Office Equip		Work In Progress		TOTAL
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation	
At 1 July 2021	120,000,000.00	253,818,704.00	16,621,540.00	18,181,130.00	4,529,472.00	13,373,040.00	4,962,125.00	18,750,785.00	450,236,796.00						
Additions	-	-	-	985,800.00	2,089,600.00	1,984,932.00	470,100.00	46,879,475.50	52,409,907.50						
Disposals	-	-	-	-	-	-	-	-	-						
Transfers/adjustments	-	-	-	-	-	-	-	-	-						
At 30 th June 2022(c/f)	120,000,000.00	253,818,704.00	16,621,540.00	19,166,930.00	6,619,072.00	15,357,972.00	5,432,225.00	65,630,260.50	502,646,703.50						
At 1 st July 2022(b/f)	120,000,000.00	253,818,704.00	16,621,540.00	19,166,930.00	6,619,072.00	15,357,972.00	5,432,225.00	65,630,260.50	502,646,703.50						
Additions	-	9,003,916.97	9,160,000.00	6,737,300.00	1,886,455.00	-	18,000.00	79,624,390.50	106,430,062.47						
Disposals															
Transfers/adjustments	(22,000,000.00)	2,313,005.03	(1,432,900.00)	8,200,505.00	8,472,913.00	28,063,716.00	(5,450,225.00)	(29,490,877.00)	(27,724,872.97)						
At 30 th June 2023	98,000,000.00	265,135,626.00	24,348,640.00	17,703,725.00	16,978,440.00	43,421,688.00	-	115,763,774.00	581,351,893.00						
Depreciation and impairment															
1st July 2021(cumulative)	-	14,449,913.30	10,125,962.50	10,563,707.19	978,386.88	3,814,436.00	-	-	39,932,405.87						
Depreciation July 1 2022	-	9,364,730.24	1,623,894.38	2,864,873.20	705,085.64	2,308,707.20	-	-	16,867,290.66						
Disposals	-	-	-	-	-	-	-	-	-						
Impairment	-	-	-	-	-	-	-	-	-						
Transfer/adjustment	-	-	-	-	-	-	-	-	-						
At 31 st May 2023(cumulative)	-	23,814,643.54	11,749,856.88	13,428,580.39	1,683,472.52	6,123,143.20	-	-	56,799,696.53						

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Depreciation 2023	-	502,752.05	262,474.65	118,635.26	159,322.58	621,642.41	-	-	1,664,826.95
Disposals		-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-	-
At 30 th June 2023(cumulative)	-	502,752.05	262,474.65	118,635.26	159,322.58	621,642.41	-	-	1,664,826.95
Net book values									
At 30th June 2023	98,000,000.00	240,818,230.41	12,336,308.47	4,156,509.35	15,135,644.90	36,676,902.39	-	115,763,774.00	522,887,369.52
At 30 th June 2022	120,000,000.00	233,384,570.93	4,871,683.12	5,738,349.61	4,935,599.48	9,234,828.80	4,210,464.45	65,630,260.50	448,005,756.89

Note: Net book value as at 30th June 2023= Balance as at June 2023(Cost) – Cumulative depreciation 31st May 2023(elimination of accumulated depreciation on revaluation - Cumulative depreciation as at 30th June 2023 after revaluation of the assets

**Work in progress consist of projects undertaken by the Institute but were not complete for capitalization by the end of the Financial year*

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Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Morowi Company Limited professional valuers on 31.05.2023. These amounts were adopted in the financial statements on 01.06.2023.

27 (b) Property, Plant and Equipment at Cost

	Cost	Accumulated Depreciation	NBV
	KShs	KShs	KShs
Land	98,000,000.00	-	98,000,000.00
Buildings and Site Works	241,320,982.46	502,752.05	240,818,230.41
Motor Vehicles	12,598,783.12	262,474.65	12,336,308.47
Computers and Appliances	4,275,144.61	118,635.26	4,156,509.35
Furniture and Fittings	15,294,967.48	159,322.58	15,135,644.90
Plant, Machinery and Equipment	37,298,544.80	621,642.41	36,676,902.39
Intangible Assets	3,343,001.92	55,716.70	3,287,285.22
Work in Progress(WIP)	115,763,774.00	-	115,763,774.00
Total	527,895,198.39	1,720,543.65	526,174,654.74

*The cost values are as per the valuation report dated 31.05.2023 hence applicable accumulated depreciated is for one month (June 2023)

27. Intangible Assets

Description	2022-2023	2021-2022
	KShs	KShs
Cost		
At beginning of the year	11,777,650.25	11,362,150.25
Additions(Net loss on revaluation)	- 3,737,324.25	415,500.00
At end of the year	8,040,326.00	11,777,650.25
Additions - internal development	-	-
At end of the year	8,040,326.00	11,777,650.25
Amortization and Impairment		
At beginning of the year(Accumulated)	4,697,324.33	2,927,242.85
Amortization		
At end of the year	55,716.70	1,770,081.48
Impairment loss		
At end of the year	-	-
NBV	3,287,284.97	7,080,325.92

*Amortization rate is 20% p.a on a reducing balance method as per the Finance policy.

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Notes to the Financial Statements (Continued)

28. Investment Property

Description	2022-2023	2021-2022
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
At end of the year	-	-

29. Trade and Other Payables

Description	2022-2023	2021-2022
	KShs	KShs
Bursaries	1,146,796.00	957,846.00
H.E.L.B	396,000.00	132,000.00
KUCCPS	4,556,700.00	2,140,200.00
Recurrent Creditors	10,770,177.00	848,719.00
NYS	5,824,851.00	5,824,851.00
GOK CAPITATION	11,467,000.00	0.00
Fees Prepayments	41,587,308.40	42,089,968.40
Total trade and other payables	75,748,832.40	51,993,584.40

*Bursaries, HELB, KUCCPS, NYS and GOK Capitation are control accounts which will be cleared once the funds are allocated to the beneficiaries

Aging Analysis of Trade and Other Payables

Description	2022-2023		2021-2022	
	KShs	% of Total	KShs	% of Total
Less than 1 year	57,204,698.40	75.52	40,700,348.00	78.28
Between 1-2 years	18,544,134.00	24.48	11,293,236.40	21.72
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	75,748,832.40	100.00	51,993,584.40	100.00

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Notes to the Financial Statements (Continued)

30. Refundable Deposits from Customers/Students

Description	2022-2023	2021-2022
	KShs	KShs
Provisional Driving License(PDL)	-	500.00
Caution Money	3,401,880.00	1,854,670.00
Totaldeposits	3,401,880.00	1,855,170.00

Aging Analysis of Refundable Deposits from Customers/Students

Description	2022-2023		2021-2022	
	KShs	% of Total	KShs	% of Total
Less than 1 year	1,547,210.00	45.48	1,044,378.00	56.30
Between 1-2 years	1,854,670.00	54.52	810,792.00	43.70
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	3,401,880.00	100.00	1,855,170.00	100.00

31. Cash generated from operations.

Description	2022-2023	2021-2022
	KShs	KShs
Surplus for the year before Tax	(3,087,485.27)	3,377,346.99
Adjusted for:		
Depreciation	1,720,543.65	15,858,356.58
Non cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on Disposal of Assets	-	-
Contribution to Provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Working Capital Adjustments	-	-
Increase/Decrease in Inventory	-	-
Increase/Decrease in Receivables	-	-
Increase/Decrease in Deferred Income	-	-
Increase/Decrease in Payables	-	-
Increase/Decrease in Payments received in advance	-	-
Net Cash Flow from Operating Activities	-1,366,941.62	19,235,703.57

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

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Notes to the Financial Statements (Continued)

32. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables from exchange transactions	40,088,018.40	40,088,018.40	0	0
Receivables from non-exchange transactions	-	-	0	0
Bank balances	110,600,262.16	110,600,262.16	0	0
Total	150,688,280.56	150,688,280.56	0	0
At 30 June 2023				
Receivables from exchange transactions	73,998,226.25	73,998,226.25	0	0
Receivables from non-exchange transactions	-	-	0	0
Bank balances	11,306,249.15	11,306,249.15	0	0
Total	85,304,475.40	85,304,475.40	0	0

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

Notes to the Financial Statements (Continued)
Financial risk management (continued)

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

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	
At 30 June 2022				
Trade Payables	848,719.00	0	0	848,719.00
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	848,719.00	0	0	848,719.00
At 30 June 2023				
Trade Payables	7,670,177.00	3,100,000.00	0	10,770,177.00
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0

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Total	7,670,177.00	3,100,000.00	0	10,770,177.00
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Notes to the Financial Statements (Continued)

Financial risk management (continued)

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

Description	In Kshs Kshs	Other currencies Kshs	Total Kshs
At 30 June 2023			
Financial Assets (Investments, Cash, Debtors)	0	0	0
Liabilities	0	0	0
Trade and Other Payables	0	0	0
Borrowings	0	0	0
	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

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

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Notes to the Financial Statements (Continued)

Financial risk management (continued)

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	0	0
Usd	10%	0	0
20xx		0	0
Euro	10%	0	0
Usd	10%	0	0

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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

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Notes to the Financial Statements (Continued)
Financial risk management (continued)

iv) Capital Risk Management

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

Description	2022-2023 Kshs	2021-2022 Kshs
Revaluation Reserve	(1,971,319.97)	(1,971,319.97)
Retained Earnings	411,915,162.71	411,508,560.98
Capital Reserve	122,908,884.00	117,366,940.00
Total Funds	532,852,726.74	528,875,500.98
Total Borrowings	79,150,712.40	53,848,754.40
Less: Cash and Bank Balances	11,306,249.15	110,600,262.16
Net Debt/(Excess Cash and Cash Equivalents)	67,844,463.25	(56,751,507.76)
Gearing	0.127%	0%

33. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) The National Treasury
- iv) The TVET Authority
- v) The office of the Auditor General
- vi) Key management;
- vii) Board of directors;

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Notes to the Financial Statements (Continued)

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0	0
Rent income from govt. agencies	0	0
Water sales to govt. agencies	0	0
Others (<i>specify</i>)	0	0
Total	0	0
B) Purchases from related parties		
Purchases of electricity from kplc	2,356,785.00	2,356,547.00
Purchase of water from govt service providers	988,511.00	184,240.00
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. agencies	0	0
Others (<i>specify</i>)	0	0
Total	3,345,296.00	2,540,787.00
b) Grants /Transfers from the Government		
Unconditional Grants from National Govt	21,202,000.00	47,760,000.00
Conditional Grants from National Govt	122,908,884.00	140,833,607.00
Donations in Kind	0	0
Total	144,110,884.00	188,593,607.00
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	0	0
Payments for Goods and Services for XX	0	0
Total		
d) Key Management Compensation		
BOGemoluments	2,714,050.00	1,491,781.00
Compensation to Key Management	0	0
Total	2,714,050.00	1,491,781.00

34. Segment Information

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

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Notes to the Financial Statements (Continued)

35. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2022/2023	2022/2021
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0	0
Assets arising from determination of Court Cases	0	0
Reimbursable Indemnities and Guarantees	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

Contingent Liabilities

Description	2022/2023	2022/2021
	Kshs	Kshs
Contingent Liabilities	0	0
Court Case Xxx against (<i>The Entity</i>)	0	0
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from Contracts including PPPs	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

(Give details)

36. Capital Commitments

Capital Commitments	2022-2023	2021-2022
	Kshs	Kshs
Authorised for	0	10,000,000
Authorised and Contracted for	0	1,000,000
Total	0	11,000,000

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

**WOTE TECHNICAL TRAINING INSTITUTE
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Notes to the Financial Statements (Continued)

37. Events After The Reporting Period

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

38. Ultimate And Holding Entity

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

39. Currency

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

WOTE TECHNICAL TRAINING INSTITUTE
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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Recoverability of overdue Receivables from exchange transactions	Being addressed	Ongoing	30.06.2024
1.2	Accuracy and Completeness of Cash and Cash Equivalents	Being addressed	Partially resolved	30.06.2024
2.0	Ownership and Valuation of PPE	Partially addressed	Partially resolved	30.06.2024
3.0	Unsupported payment of Prime costs and Provisions	Support documents available	Addressed	
4.0	Budgetary performance	Being addressed	Ongoing	30.06.2024
5.0	Advance payment to a supplier without a Security	Not to happen again	Addressed	
6.0	Management of Capitation	Management to Comply as per the guidelines by the Ministry	Addressed	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;

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

CHIEF PRINCIPAL
WOTE TECHNICAL TRAINING INSTITUTE
P. O. Box 377-90300, MAKUENI
info@wotetti.ac.ke
TEL: 0728 658 649 / 0787 294 782



Accounting Officer
Joshua K. Munywoki
Principal/Secretary, BOG
11/03/2025

WOTE TECHNICAL TRAINING INSTITUTE
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Appendix II: Projects Implemented by Wote Technical Training Institute

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

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

Status of Projects completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Purchase of computers for Engineering and ICT students	7,225,000.00	6,250,600.00	90%	7,225,000.00	6,250,600.00	A.I.A
2	Base preparation of the automotive student spraying shed	2,500,000.00	1,200,000.00	60%	2,500,000.00	1,200,000.00	A.I.A
3	Purchase of furniture for both staff and students	3,000,000.00	1,336,355.00	48%	3,000,000.00	1,336,355.00	A.I.A

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4	Extension of the college kitchen	2,000,000.00	1,288,615.00	100%	2,000,000.00	1,288,615.00	A.I.A
6	Construction of staff wash rooms annexed to the board room	1,500,000.00	1,634,455.00	100%	1,500,000.00	1,634,455.00	A.I.A
7	Asset Tagging and Valuation	4,000,000.00	3,388,660.80	100%	4,000,000.00	3,388,660.80	A.I.A
8	Expansion of MR, PCC and internal auditor's offices	1,000,000.00	875,000.00	100%	1,000,000.00	875,000.00	A.I.A
9	Installation of 2 air conditioners in the board room	500,000.00	464,200.00	100%	500,000.00	464,200.00	A.I.A
10	Completion of student washrooms	500,000.00	490,000.00	100%	500,000.00	490,000.00	A.I.A
11	3 Office laptops	330,000.00	393,650.00	100%	330,000.00	393,650.00	A.I.A
11	Machakos Town TVC	59,941,226.00	54,693,732.00	95%	59,941,226.00	54,693,732.00	G.O.K
13	Kilome TVC	61,335,420.00	42,500,000.00	60%	61,335,420.00	37,686,891.80	G.O.K
14	Kitui Rural TVC	63,866,589.70	38,750,000.00	60%	63,866,589.70	37,391,049.80	G.O.K

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Appendix III- Inter-Entity Confirmation Letter



WOTE TECHNICAL TRAINING INSTITUTE

P O Box 377-90300 Makueni
Email: info@wotetti.ac.ke

Cell: 0728 658649 / 0787294782
Web: www.wotetti.ac.ke

Wote Technical Training Institute
Telephone Number: +254728658649
Email Address: info@wotetti.ac.ke
Name of CEO: Joshua K. Munywoki

The Ministry of Education, State department of technical education wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

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Confirmation of amounts received by Wote Technical Training Institute as at 30th June 2023

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2022			Total (D)=(A+B+C)	Amount Received by Wote TTI (KShs) as at 30 th June 2021(E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)			
Q1 CAPITATION	28.10.2022	9,770,000.00			9,770,000.00	9,770,000.00	0
Q2 CAPITATION	10.03.2023	11,432,000.00			11,432,000.00	11,432,000.00	0
Q3 CAPITATION	30.06.2023	11,432,000.00			11,432,000.00	11,432,000.00	0
Machakos TVC	19.05.2023		5,316,154.00		5,316,154.00	5,316,154.00	0
Kilome TVC	19.05.2023		2,500,000.00		2,500,000.00	2,500,000.00	0
Kitui Rural TVC	19.05.2023		3,750,000.00		3,750,000.00	3,750,000.00	0
Total		32,634,000.00	11,566,154.00		44,200,154.00	44,200,154.00	0

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

Head of Accountants department of beneficiary Entity:

Name CPA John M. Kimiti SignDate: 11/03/2025

SENIOR FINANCE OFFICER
WOTE TECHNICAL TRAINING INSTITUTE
P. O. Box 377 - 90300, MAKUENI
Email: info@wotetti.ac.ke
DATE: 11/03/25 SIGN: [Signature]

WOTE TECHNICAL TRAINING INSTITUTE
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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
N/A	N/A	N/A	N/A	N/A	N/A	N/A