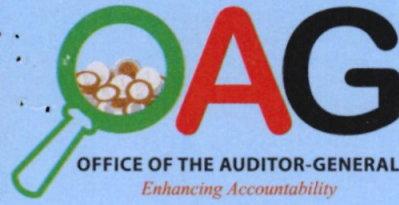


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 12 MAR 2026

DAY.

THUR

TABLED  
BY:

Speaker Leader of the  
Majority Party  
HON. OGIEN BA-IAMP

CLERK-AT  
THE-TABLE:

MERG CHUMO

THE AUDITOR-GENERAL

ON

CHESTA TEACHERS TRAINING COLLEGE

FOR THE YEAR ENDED

30 JUNE, 2025



---

**CHESTA TEACHERS TRAINING COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

---

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

Table of Contents

1. Acronyms & Glossary of Terms .....	ii
2. Key Entity Information and Management .....	iii
3. The Board of Management.....	vi
4. Key Management Team .....	xi
5. Chairman’s Statement.....	xiii
6. Report of the Principal.....	xiv
7. Statement of Performance against Predetermined Objectives.....	xvi
8. Corporate Governance Statement.....	xx
9. Management Discussion and Analysis.....	xxi
10. Environmental And Sustainability Reporting Statement.....	xxi
11. Report of the Board of Management.....	xxv
12. Statement of Board Management/Members Responsibilities.....	xxvii
13. Report of the Independent Auditor on the Financial Statements for Chesta Teachers Training College.....	xxix
14. Statement of Financial Performance For The Year Ended 30 <sup>th</sup> June 2025.....	1
15. Statement of Financial Position As At 30 <sup>th</sup> June 2025.....	3
16. Statement of Changes in Net Asset For The Year Ended 30 <sup>th</sup> June 2025.....	5
17. Statement of Cash Flows For The Year Ended 30 <sup>th</sup> June 2025.....	6
18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 <sup>th</sup> June 2025.....	7
19. Notes to the Financial Statements .....	8
20. Appendices.....	50

## 1. Acronyms & Glossary of Terms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTC	Teacher Training College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

**2. Key Entity Information and Management**

**(a) Background information**

Chesta Teachers Training College is a Public Diploma Primary Teacher Training College situated in the lowlands of Pokot Central Sub-County about 90 kilometres East of Kapenguria in Kenya.

Her name “Chesta” is derived from the Pokot language word meaning “Star”.

The College was founded as a private entity by a group of ELCK missionaries who set up a mission centre in the area in 1979. By 2013 the college was deemed not viable leading to its closure. It was re-established and registered by the Ministry of Education on 4<sup>th</sup> April 2014. The college runs Diploma in Primary Teacher Education (DPTE), Diploma in Early Childhood Teacher Education (DECTE) and Diploma in Teacher Education(DTE-Pre-primary and Primary, Regular and School Based Programmes.

**(b) Principal Activities**

The Mandate of Chesta Teachers Training College as per the Basic Education Act 2013 is to prepare teacher trainees for DPTE, DECTE and DTE programmes. The college exposes trainees to School Based and Summative Assessments and micro teaching and Practicum. All these equip them with the right knowledge, skills and attitudes for the 21<sup>st</sup> century facilitator and enhance their pedagogical capacity in various learning areas.

**i. Vision Statement**

To be a National Centre of Excellence in Teacher Training

**ii. Mission Statement**

To Produce Disciplined and Competent Teachers through Holistic Training

**iii. Strategic Objectives**

1. To institutionalize an efficient management system in the college to enhance quality service delivery.
2. To ensure that all teacher trainees are adequately prepared to teach competently and effectively in primary schools in Kenya and beyond.
3. To create an enabling environment for moulding caring, responsible and adaptive teachers.
4. To design and implement programs that will enable student teachers to discover and develop their talents.
5. To provide and maintain adequate facilities for optimal use in teaching and learning.
6. To enhance capacity of teaching and non-teaching staff for better performance.
7. To initiate and sustain income generating projects to supplement the college budget.
8. To develop programs and strategies that address emerging issues in education and training.

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

---

**c. Key Management**

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

- Board of Management
- Senior Principal
- Deputy Principal
- Dean of Curriculum
- Dean of Students
- Finance Officer

**d. Fiduciary Management**

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

SN.	Designation	Name
1.	Senior Principal	Mr. Michael K. Lelit
2.	Deputy Principal	Mr. Motondi Gerard Oroo
3.	Dean of Curriculum	Mr. John Gitau Muthuku
5.	Dean of students	Mrs Irene Chepchumba
6.	Head of Finance	Mr. Milton Tuei

**e. Fiduciary Oversight Arrangements**

The Chesta Teachers' College Fiduciary oversight is mainly done by the Board of Management through its committees which report to the full Board of Management.

The oversight committees are;

1. Finance, Procurement and General-Purpose Committee
2. Audit Committee
  - External oversight authorities include the County Schools Auditor, and
  - The Public -Procurement Regulatory Authority (PPRA)
3. Discipline, Ethics and Integrity Committee
4. Human Rights and Students' Welfare Committee
5. Academic Standards, Quality and Environment Committee



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

---

**Key Entity Information and Management (Continued)**


- f. Chesta Teachers Training College Headquarters**  
P.O. Box 5-30600  
KAPENGURIA  
KENYA
- g. Chesta Teachers Training College Contacts**  
Telephone: (+254) 0722272884  
E-mail: [info@chestattc.ac.ke](mailto:info@chestattc.ac.ke)  
Website: <http://www.chestattc.ac.ke>
- h. Chesta Teachers Training College Bankers**  
Equity Bank of Kenya  
Kapenguria Branch  
P.O. Box 75104-00200  
Nairobi, Kenya
- i. Chesta Teachers Training College Independent Auditors**  
Auditor-General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya
- j. Chesta Teachers Training College Principal Legal Adviser**  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**3. The Board of Management**

S/NO.	NAME /PASSPORT	MEMBER'S DETAILS
1.	 <p><b>Mr. Kipomet Rotokwo Festus</b></p>	<p><b>Date of birth:</b>10/05/1987  <b>Academic Qualification:</b> Bachelor of Arts-Economics &amp; Mathematics, Second Class Honors, Upper Division  <b>Work experience:</b>  <b>Current-</b>Fund Account Manager in National Government Constituencies Development Fund Board, Pokot South National Government Constituency Development Fund.  <b>Previous-</b>Acting Field Coordinator in World Vision Kenya, West Pokot PRRO, Marich PASS IPA  <b>Responsibility:</b>                      1.Board Chairman-Executive Committee                      2.Member: Finance, Procurement and General-Purpose Committee</p>
2.	 <p><b>Mrs. Chepkorir Selina Mayodi</b></p>	<p><b>Date of birth:</b> 1978  <b>Academic Qualification:</b>                      -MA organization leadership,                      -BSc Agriculture and Dip in sustainable Development                      -MA Organisation Leadership                      The Eastern university, Cape Town                      BSC. Agriculture                      The University of Nairobi, Kenya  <i>Sustainable Development and Agriculture in the Deserts</i>                      The Hebrew University of Jerusalem, Rehovot, Israel  <b>Work experience:</b>  <i>Current:</i>                      Principal Agriculture Officer, West Pokot County, Kenya  <i>Previous:</i>                      1.Field OfficerFBO -Anglican Development Services North Rift Region-Pokot Kenya and Uganda-                      2.County Manager/ Fundraising OfficerWest Pokot County  <b>Responsibility:</b>                      1.Deputy Chairperson Executive Committee                      2.Chairperson: Academic Standards, Quality and Environment                      3.Member: Discipline, Ethics and Integrity committee                      4.Member: Audit Committee</p>



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

3.	 Mr. Michael K. Lelit	<p><b>Date of birth:</b> 1968  <b>Academic Qualification:</b> Masters in Education Management</p> <p><b>Work experience:</b>  <i>Current:</i>          Senior Principal and Secretary to the Board of Management, Chesta Teachers College</p> <p><b>Responsibility:</b>          1.Senior Principal          2.Secretary-Executive Committee Board of Management</p>
4.	 Mrs. Juliana Cheyech	<p><b>Date of birth:</b> 1983  <b>Academic Qualification:</b> Diploma  <b>Work experience:</b> Nurse</p> <p><i>Current:</i>  <i>Previous:</i></p> <p><b>Responsibility:</b>          1.Member Executive Committee          2.Member: Audit Committee</p>
5.	 Mr. Simon P. Tepes	<p><b>Date of birth:</b> 1983  <b>Academic Qualification:</b> Diploma  <b>Work experience:</b> Laboratory Technician</p> <p><i>Current:</i>  <i>Previous:</i></p> <p><b>Responsibility:</b>          1.Member Executive Committee          2.Member: Finance, Procurement and General-Purpose Committee</p>
6.	 Hon. Lilian Tomitom	<p><b>Date of birth:</b> 1981  <b>Academic Qualification:</b> Masters  <b>Work experience:</b> Lecturer</p> <p><i>Current:</i>  <i>Previous:</i></p> <p><b>Responsibility:</b>          1.Member Discipline, Ethics and Integrity Committee</p>

<p>7.</p>	 <p>Ms. Veronicah Mwihaki Mwangi</p>	<p><b>Date of birth:</b> 1980  <b>Academic Qualification:</b>                      -Master of Education Administration &amp; Planning (Corporate Governance) University of Nairobi, 2012                      -National Higher Diploma in Human Resource Management Institute of Human Resource Management, 2011 IHRM #06286                      -Certificate in Counselling Institute of Human Resource Management, 2011                      -Bachelor of Education (Economics &amp; Mathematics) University of Nairobi, 2008  <b>Work experience:</b> Programs Manager  <i>Current:</i>                      People, Partnerships and Programs Development Manager I Choose Life – Africa (NGO); March 2021 – Date  <i>Previous:</i>                      Human Resource &amp; Administration Manager- I Choose Life – Africa (NGO);                      Assistant Manager – Training and Development Employer: I Choose Life – Africa  <b>Responsibility:</b>                      1. Chairperson Human Rights and Student Welfare Committee                      2. Member: Finance, Procurement and General-Purpose Committee</p>
<p>8.</p>	 <p>Mr. Stephen P. Nalelia</p>	<p><b>Date of birth:</b> 1956  <b>Academic Qualification:</b> BA  <b>Work experience:</b> Retired Chief Principal  <i>Current:</i>  <i>Previous:</i>  <b>Responsibility:</b>                      1. Chairman Discipline, Ethics and Integrity Committee                      2. Member: Academic Standards, Quality and Environment                      3. Member: Audit Committee</p>
<p>9.</p>	 <p>Mr. James Loporna</p>	<p><b>Date of birth:</b> 1976  <b>Academic Qualification:</b> BA  <b>Work experience:</b> Human Resource Officer  <i>Current:</i>  <i>Previous:</i>  <b>Responsibility:</b>                      1. Chairperson: Audit Committee                      2. Member Discipline, Ethics and Integrity Committee</p>





**Chesta Teachers Training College**

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

<p>10.</p>	 <p>Mr. Matale P. Salim</p>	<p><b>Date of birth:</b> 12<sup>th</sup> June 1974  <b>Academic Qualification:</b>                      -Masters-MPH-Kabarak University (2020-2023)                      -B.SC microbiology – Moi University (2006-2009)                      -Higher diploma in med lab sciences-KMTC -NRB (2002-2003)  <b>Work experience:</b>  <i>Current:</i> West Pokot County Public Service Board Member – 2020 to date  <b>Responsibility:</b>                      1.Chairperson: Finance, Procurement and General-Purpose Committee</p>
<p>11.</p>	<p>Hon. Christine Pedoo</p>	<p><b>Date of birth:</b> 1972  <b>Academic Qualification:</b> Diploma  <b>Work experience:</b> Social Worker  <i>Current:</i>  <i>Previous:</i>  <b>Responsibility:</b>                      1.Human Rights and student Welfare Committee</p>
<p>12.</p>	 <p>Ms. Elizabeth Chepkuto</p>	<p><b>Date of birth:</b> 1972  <b>Academic Qualification:</b> Diploma  <b>Work experience:</b> Social Worker  <i>Current:</i>  <i>Previous:</i>  <b>Responsibility:</b>                      1.Member Academic standards, Quality and Environment Committee                      2.Human Rights and Student Welfare Committee</p>


<p>13.</p>	 <p>Mr. Reuben Cheprot</p>	<p><b>Date of birth:</b> 1968  <b>Academic Qualification:</b>                      -Master of Philosophy in Botany (Genetics), Moi University, Kenya                      -Bachelor of Education Science (B.Ed Sc. Botany major), Moi University, Kenya;                      -Diploma in Education (Science), Moi Teachers College, Eldoret – Kenya  <b>Work experience:</b>  <i>Current:</i> Lecturer Chesta TTC  <i>Previous:</i> Part time lecturer in Departments of Biological Sciences and Biotechnology of the University of Eldoret                      Responsibility:                      Member: Academic standards, Quality and Environment Committee</p>
<p>14.</p>	 <p>Mr. Lopeta Musa Kales Pterer</p>	<p><b>Date of birth:</b> 5<sup>th</sup> May 1980  <b>Academic Qualification:</b>                      -Master of International Security Studies, Post Graduate in Global Leadership Program, Bachelor of Arts Degree (1<sup>st</sup> class Honours)  <b>Work experience:</b>  <i>Current:</i> Chief Intelligence Officer One (CIOI); National Intelligence Service, Analyst, Horn of Africa.  <i>Previous:</i> National Intelligence Service (NIS) Internal Division -Deputy Head of Planning, Production &amp; Evaluation Department (PP&amp;E)  <b>Responsibility:</b>                      1.Member: Academic standards, Quality and Environment Committee                      2.Member-Human Rights and Student Welfare Committee</p>
<p>15.</p>	<p>Mr. Simon Wamae</p>	<p><b>Date of birth:</b>  <b>Academic Qualification:</b> MA, BA                      Work experience: County Director of Education  <i>Current:</i>  <i>Previous:</i>  <b>Responsibility:</b>                      1.Ex-Officio member</p>

**4. Key Management Team**

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 MR. MICHAEL K. LELIT <i>Masters in Education Management</i>	1.SENIOR PRINCIPAL 2.SECRETARY BOARD OF MANAGEMENT
2.	 MR. GERARD OROO MOTONDI HSC <i>a. Masters in Art (MA)</i> <i>b. Bachelor of Education Arts</i> <i>c. Diploma In Education</i> <i>d. International Artist</i>	DEPUTY PRINCIPAL
3.	 MR. JOHN GITAU MUTHUKU <i>a. Bachelor Of Education-Arts</i> <i>b. Sports Administration</i> <i>c. Author</i>	DEAN OF CURRICULUM
4.	 MRS. IRENE CHEPCHUMBA	DEAN OF STUDENTS

**Chesta Teachers Training College**

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

	<i>Bachelor of Education-Arts</i>	
5.	 MILTON KIPSANG TUEI <i>CPA-K</i>	FINANCE OFFICER

## **5. Chairman's Statement**

After successful revision of the 5-year Chesta TTC Strategic Plan, the institution embarked on the journey towards actualising the contents of this visionary document. The period June 2024 to June 2025 therefore marks a season that sets the ball rolling towards achieving the intended purposes.

The college further committed itself to a number of activities through Performance Contracting with the relevant stakeholders as required. Performance Contracting guides the institution in improving efficiency and effectiveness in service delivery to her customers and the general public at large. The whole idea of measuring performance against set targets keeps the institution focussed. The mantra of what gets measured gets done will be applicable in the institution

The institution will be engaged in a variety of activities in the year will in order to achieve the different strategic objectives. For instance, the ongoing automation of management systems will go a long way in enhancing provision of quality service delivery to all. Services will be quicker and easier to track. The intention to educate trainees and staff on use of management systems such as payment platforms will be enlightening and educative hence creating an informed and aware citizenry adaptive to current trends

We endeavour to enhance provision of and access to relevant resources useful for facilitation and learning. This will ensure that trainees are adequately prepared to facilitate competently and effectively in the Primary school setting in Kenya and beyond the borders. Investment in internet and Wi-Fi connectivity is one such an initiative. This is informed by the fact that Information Communication and Technology are key planks in education and learning

Even as we strive towards excellence, there are challenges along the path. The College still operates without some essential amenities. There are still plenty of fabricated structures that do not provide the ideal and desired environment. This challenge cuts across trainees' welfare such as tuition and accommodation facilities as well as housing for staff. It is our hope that this state of affairs will change with time

### **FUTURE OUTLOOK**

It is hoped that as the institution expands in enrolment, the infrastructure will similarly grow. The Board of Management has put in place strategies towards this desire. It is further hoped that anticipated improvement in the road network in the County will have a positive impact on Chesta TTC.

  
**BOM CHAIRMAN**

## **6. REPORT OF THE SENIOR PRINCIPAL**

In the period June 2024 to June 2025 under reference, Chesta TTC undertook various activities in furtherance of its mandate

### **ACADEMIC RELATED ACTIVITIES AND ENROLLMENT**

The period under reference saw the college register increased enrolment with admission of approximately 400 trainees- the first cohort of the Diploma in Teacher Education Pre-primary and Primary (DTE-PP&P). This increased the trainees' population to approximately 1000 for both first- and second-year trainees. The college had cohorts undertaking two different courses- Diploma in Primary Teacher Education (DPTE) and DTE (PP&P)

We successfully conducted classroom facilitation for these two cohorts. The college also successfully undertook School Based Assessments that had theory and practical components. We are proud to have navigated the e-assessment to completion

### **CO-CURRICULUM ACTIVITIES**

The college participated actively in activities that support curriculum during the period under reference. Trainees were exposed to a variety of activities with the aim of nurturing every trainee's potential

They ranged from Games, Sports and Athletics to performing arts in Drama and Music. The college actively participated in the two levels available in Teacher Education activities-regional as well as national level.

We are proud of the performance that was an improvement of the previous period. In ball games, the college became the 2025 KTCSA Rift Valley region champions. We presented 5 teams to KTCSA Nationals. Performance at that level was very good with the Hockey Women team emerging national champions and Volleyball Men, Volleyball Women and Netball Women teams emerging runners up.

The college also became the 2025 KTCSA Rift Valley Region Athletics champions and produced 21 athletes to the National level. These athletes led the Rift Valley region to being declared 2025 National Champions in athletics. Our athletes amassed a whopping 20-medals: 10 Gold, 06 Silver and 04 Bronze at the Nationals

In drama, the college took three items to the nationals. One of the items emerged the winner and won the college a cash award of Kshs. 100,000.00 from Equity Bank

In music, the college presented over 10 items at the National Music competitions. The college emerged tops in 3 items- folk song with sacred text, Pokot folk song and Marakwet folk song. We were runners up in set piece for mixed voices and second runners up in English solo set verse and Pokot folk dance

## **COLLEGE INFRASTRUCTURE, FACILITIES AND PERFORMANCE**

### **CONTRACTING**

The college continued with improvement of the internet connectivity infrastructure as necessitated by the huge demand for ICT integration in learning and assessment.

The college also made strides in improvements to existing structures and purchase of necessities such as new mattresses, beds and chairs for the increased population

In Performance contracting and related activities, the college undertook sensitization of staff and working committees on this very important activity. Chesta TTC prepared the performance contracting documents for the Ministry of Education and the Teachers Service Commission.

### **CHALLENGES**

The college continues to operate without other vital facilities such as an E-learning LRC, an administration block, a dining hall, a multi-purpose hall, a student centre, staff houses upgraded of sports facilities, a utility vehicle and a perimeter fence

### **FINANCIAL MANAGEMENT**

The institution has put in place mechanisms to ensure prudent management of resources. The ongoing efforts to automate internal systems has ensured improved service delivery to all our customers

The college continues to be audited by the office of the Auditor General. The college acts on recommendations made in the qualified reports from the audit.

Fees collection although still a challenge has slightly improved. Through the prudent management of resources, we were able to meet our obligations including meeting statutory requirements, payments of salaries and creditors and meeting student's welfare and activities

We strive to keep working towards making Chesta TTC a better institution every day.



**SENIOR PRINCIPAL**

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

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

Chesta TTC has 8 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2022- FY 2027. These strategic pillars are as follows:

1. Curriculum Issues
2. Students' affairs issues
3. Human resource Development/Resource mobilization
4. Physical facilities
5. ISO Certification
6. Corruption Eradication
7. Health Environment and Safety
8. Disability Mainstreaming

Chesta TTC develops its annual work plans based on the above 8 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Chesta TTC achieved its performance targets set for the FY 2024/25 period for its 8 strategic pillars, as indicated in the diagram below:

No	Key Strategic Goals	Strategic Objectives	Strategic Activities	Time Frame	Performance Indicators	Resources Required	Persons Responsible
1.	Curriculum Issues	Improve the college DPTE and DECTE performance by 2024	-Maximum lesson attendance -Introduce extra lessons where necessary -Recognize staff who demonstrate excellence in improving in DPTE/DECTE exams	By Dec 2024	-Improved content coverage  -Improved DPTE/DECTE performance	-Workable timetable  -Human resource  -Time	-Class tutor -DOC -BOM
		To enhance timely coverage of the syllabus	-minimize absenteeism of students and lecturers	By Oct 2022	Availability of lecturers and students	-Class register -lesson attendance control sheets	DOC
		Set and administer standard internal tests	-Train lecturers on DPTE/DECTE setting format -Source DPTE/DECTE Past papers	By July 2022	-Students' performance in internal exams -Reports from internal quality assurance	DPTE/DECTE Past papers	-Subject lecturers -HOD's / HOS' -Exam officer -DOC

**Chesta Teachers Training College**

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

2	Students' affairs issues	Enhance student-centred services and processes that effectively address their needs	<p>-Create a supportive, rewarding and equitable work environment</p> <p>-Develop and implement policies to address students' needs.</p> <p>-Creation of Assessments of different college units of how they contribute to students' acquisition of core competencies</p>	By July 2024	<p>-Learner centred programs</p> <p>-Internal students' affairs policy</p>	<p>-Human resource</p> <p>-Sample student affairs policies</p>	<p>-DOS</p> <p>-DOC</p>
		Provide students access to affordable, quality internet services and instructional materials.	-Develop policies that enable access to information and instructional materials.	By July 2024	<ul style="list-style-type: none"> <li>• Rate of e-library usage</li> </ul>	<ul style="list-style-type: none"> <li>• Library</li> <li>• Internet</li> </ul>	<p>-DOS</p> <p>-DOC</p>
		1. Streamline college services and processes for incoming students	<p>-Proper orientation mechanism put in place</p> <p>-Provide more personalized support services</p> <p>-Improve entry-level placement process and developmental education</p>	By July 2024	<p>-Set admission board</p> <p>-Admission timetable</p>	-Human resource	<p>-DOC</p> <p>-Deputy principal</p>
		To bring about an emotionally controlled person who is psychologically and socially fit for life	<p>-Guide students to focus on personal goals and their career</p> <p>-Establish effective mechanisms to</p>	By July 2022	<p>-Number of counselled students</p> <p>-Reduction in indiscipline incidences</p>	<p>-Human resource</p> <p>- Counselling room</p>	<p>-Counsellor</p> <p>-DOC</p> <p>-DOS</p> <p>-Principle</p> <p>-Deputy principal</p>

**Chesta Teachers Training College**

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

		challenges	help errant students -Invite speakers to talk on emerging issues e.g. drug abuse, career improvement, etc -Strengthen counselling services to reduce cases of indiscipline -Identify need students -Equip students in guiding and counselling skills				
3	Human resource Development/ Resource mobilization	-Improve performance of both academic and non-academic staff	-Capacity building	By July 2024	-Performance improvement	-Financial resources	-BOM staff -lecturers
		Identify compelling gaps	Form competence and gap identification committee	By July 2024	Skill-gaps identified and capacity building done	-Human resource -Results	-HOD's -DOC -Section heads
		Retain motivated staff	-Appraisals - positive reinforcements -academic and non-academic tours	By Dec 2024	-Appraisals -Certifications -Tours	-Financial resources	-BOM -Principal - HOD's/Sectional Heads
4	Physical facilities	-Construction of college clinic -Completion of a 100-student male hostel	-Source for funds from county government	By Dec 2024	- functional college clinic  -Modern male hostel	-Financial resources	-BOM -County Gov't -Principal
		-Completion of a 300-bed capacity female hostel.	-County government funding -Fees	By July 2023	-Functional clinic -Modern female hostel	-Financial resources	-BOM -Principal

**Chesta Teachers Training College**

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

		-Construct of an e-enabled LRC	- funding from county and MOE	By July 2023	-Modern e-enabled LRC	-Financial resources	-BOM -County Gov't -MOE
		Construct a multi-purpose hall	Source for funds NGO, CDF and national government	By June 2025	-Modern multi-purpose hall	-Financial resources	-BOM -CDF -Principal
		-Construction of lecturers' residence	-Fees and well wishers	By July 2027	-A residential staff houses	-Financial resources	-BOM -Principal -Well wishers
5	ISO Certification	-Fast track certification of ISO 9001-2022	-Undertake fast tracking ISO certification in college management and operations	By July 2027	-ISO Certification	-Human resource	-Principal -HOS -DOC
6	Corruption Eradication	Corruption Eradication and Address of Public Complaints	-Establish college anti-corruption committee -Develop a college anti-corruption policy -Create preventive anti-corruption mechanism -Check and address public complaints adequately	By July 2024	-Anticorruption policy  -Anticorruption committee	-Human resource -Financial resource	-Principal -Deputy Principal -HOD -DOC -HOS
7	Health Environment and Safety	-To prevent HIV/AIDS, COVID 19 and other infections -To provide care and support for those infected/ affected -To prevent alcohol and drug abuse	-Put in place a program for creating awareness on HIV/AIDS -Undertake capacity building for students and staff on HIV/AIDS -Establish mechanism for the prevention of	By July 2024	-Quarterly NACADA reports - HIV/AIDS, COVID 19 awareness committee reports	-Human resource	-DOS -Deputy principal -DOC

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

		among staff and students -To engage the members of the institution in environmental conservation activities	alcohol and drug abuse in the institution				
8	Disability Mainstreaming	-Identify cases of disability among students and staff -Develop strategy to empower persons living with disability	-Establish a special needs club -Develop a disability friendly club -Develop peer support groups	By July 2024	-Special needs club  -Peer support club	-Human resource  -special rooms	-Principal -DOS -HOD -HOS

**8. Corporate Governance Statement**

The board of management is appointed following laid down procedures that begin with nomination of suitable persons by the relevant body/meeting

The nomination is communicated to the Principal Secretary, ministry of education, state department of basic education.

The appointments are made in accordance with section 56 of the basic education act no 14 of 2013

The board of management met at least three times within the said period. The members attended the meetings as required.

The Board of Management is divided into the Executive Committee and 5 Sub-committees. Each sub-committee was assigned responsibilities. The members participated fully activities of the sub-committees and the full board

None of the members had conflict of interest.

## **9. Management Discussion and Analysis**

### **Compliance with statutory and financial obligations**

Chesta Teachers college's non-teaching staff Employees are hired and paid by the Board of Management.

The remunerations of the employees are in strict adherence of the SRC recommendations on salaries and allowances.

All statutory deductions payable by an employee (i.e., PAYE, NSSF, NHIF and SACCO DUES) are duly deducted and remitted every month.

### **Key projects and investment decisions.**

In this period, Chesta Teachers' Training College was able to do some improvements and innovations. These included; Repair of 8 fabricated classrooms, , Repair of water pump and improvement of lighting systems. The college purchased 100 Beds, 100 Mattress, Class Chairs, constructed student friendly benches and Student utensil cleaning sinks. All there were possible through prudent management of finances.

### **Major risks facing the college**

Chesta Teachers Training College is a government facility funded fully by the Government through Student fees and MOE grants. The government's delay in releasing grants makes BOM workers receive their salaries sometimes late. The College management strives to make prudent use of the available resources to maintain and improve the existing college facilities. Lack of staff houses in college exerts a lot of pressure for management to make sacrifices in matters related to time and organisation.

### **Material arrears in statutory/financial obligations**

In this period, the college had no material arrears in statutory/Financial obligations.

The college had financial probity and no serious governance issues during this period under review

## **10.Environmental And Sustainability Reporting Statement**

### **1.Sustainability strategy and profile**

#### **Chesta TTC makes use of the PEST Analysis**

Chesta TTC evaluates the Macro Environment it operates in. These are mostly uncontrollable forces that the institution must be aware of and consequently establish strategies to enable it adapt effectively to them (environment). The Political, Economic, Socio cultural and Technological (PEST) environmental factors Chesta TTC faces are highlighted.

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

---

**Political Environment**

**Positive**

- The political environment is instrumental in establishing college linkages much needed collaborations for the institutional growth.
- Chesta TTC is frequently invited to participate in the Local National Days celebrations and Local Communities Designated Cultural Days. Chesta TTC also invites the local community and beyond in its cultural activities and other that take place in college
- There is Goodwill from the County Government which enabled release of funds to proceed with construction of hostels and bursaries to needy students.
- Constituency Development Funds have occasionally been used to not only settle school fees for needy students but also complete college projects.
- Goodwill from the local community enabled donation of 56 acres of land for the college domicile and expansion.

**Negative**

- Uncertain political environment
- Insecurity due to political instability in the institution environs.
- Local political representations over-reaching tendencies towards micro managing institution's affairs.

**Economical**

**Positive**

- Availability of cattle and goats market.
- Available environment that favours a range of economic activities including livestock keeping, irrigation (for vegetables, maize and fruit farming), bee keeping, bakery services and water distilling.

**Negative**

- Low purchasing capacity among local community
- Low standards of living
- Low economical standards within the local community

**Socio-Cultural Environment**

**Positive**

- Local community cultural practices can be leveraged to enhance attractiveness of the region leading to positive impact to the college.
- Local community cultural day can be used to foster peace in the region hence opening ways for more enrolment of students.
- Cultural festival day may help improve understanding and image of different communities opening up the region to diverse interactions with rest of Kenyans and the larger world.

**Negative**

- Some cultural activities in the neighbourhood, such as cattle rustling, heighten tension among the communities, negatively impacting college enrolment
- Community practices such as FGM have impacted negatively on school enrolments where the college engages for her practicum exercises.
- High number of school dropouts and non-school going children limiting local community college enrolment. Community members value of the college presence remains limited.
- Cultural practices that hinder education progression of students still exists e.g. FGM, early marriages, cattle rustling, negative attitude towards family planning

### **Technology**

#### **Positive**

- Linkages with partners has provided ICT facilities
- Favourable GoK IT policy
- Technology is being used to improve teaching / learning, administrative operations and effective access to information

#### **Negative**

- Low IT capacity among stakeholders
- Loss of staff to other institutions
- Costly emerging technological advances

## **2. Environmental performance**

Chesta TTC, in its Occupational Safety and Health Policy 2024 outlines ways of ensuring safety in the college environment. It captures waste management in college.

To aid in environmental management too, the college has embarked on tree planting as guided by relevant government directives.

Chesta TTC is also engaged in fruit farming. We have established a mango farm for environmental sustainability

## **3. Employee welfare**

Chesta Teachers college's non-teaching staff employees are hired and paid by the Board of Management and deployed to suitable workstations within the college based on qualification and ability.

The employees are hired through proper procedures that include declaration of vacancies, advertisement, shortlisting and invitation for interview and eventual hiring where the candidates meet the requirements.

Further procedures are followed to formalise the employment.

Gender ratio is considered to ensure that the threshold for gender consideration is met.

All relevant stakeholders are involved in the processes that take place

Remunerations of the employees are in strict adherence of the SCR recommendations on salaries and allowances.

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

---

Where casuals are employed, the Board adheres to the existing labour laws and pays the recommended minimum wages.

All statutory deductions payable by an employee (i.e., PAYE, NSSF, NHIF and SACCO DUES) are duly deducted and remitted every month.

Progression from one job group to a higher one is effected upon recommendation of the BOM in relation to the college Human Resource Policy Manual.

The college has formulated and customised the occupational safety and Health Policy to guide in this crucial aspect

The Board aims at motivating all the college employees through supply of adequate working equipment, Safety gears, uniforms and tools where applicable. They are given annual leave whenever they apply for it when need arises and students are on holiday. Ladies who become expectant are given maternity leave.

#### **4. Market place practices-**

Chesta TTC offers equal opportunities to everyone. In the procurement process, Chesta TTC advertises for supply of goods and services. All persons are eligible to respond to the advertisement. Where there is requirement for particular tender categories to be classified for particular categories such as Youth, Women and Persons Living with Disabilities, that is done. The local community is considered in the processes

The processes are carried out diligently and canvassing is not allowed  
Chesta TTC maintains good relations with suppliers of goods and services. A meeting between management and suppliers who are successful is held to undertake the tender awards. During this meeting, a lot is deliberated on and clarifications made.

Suppliers of goods and services are paid promptly upon presentation of all requisite documents and meeting all conditions

Chesta TTC promotes Games and Sports by creating and maintaining sporting facilities for use by trainees. Chesta TTC also avails its facilities for use by other organisations such as Primary and Secondary Schools Sports Associations for their different level sports competitions. Zonal, sub-county, county and regional competitions have been hosted by Chesta TTC for these associations.

The community is also allowed to use the facilities to play against the college teams and others

As for labour relations, members of the local community are engaged to offer services when required. Whenever construction is carried out in college, the local community offers labour.

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

---

On water, Chesta TTC allows its neighbours from the community to access water from its water channels

**5. Corporate Social Responsibility / Community Engagements**

Chesta TTC engages in a variety of community service activities. To begin with, the college uses its trainees to undertake repairs of the road leading to college to make it passable when need arises

Secondly, provision of water to the college neighbours is another community service activity that is very crucial to the community

Trainees, through their religious societies participate in activities of local churches. They participate in fund raising for such organisations and participate in their activities. One such an activity was the launch of the music album by ELCK Matendo choir that took place in college with support and participation by the college

Whenever there are activities in college such as graduation ceremonies and sports competitions, Chesta TTC engages the local community to offer essential services that come with such events. The community is also engaged during activities such as cultural week to showcase their talents and culture and to offer entertainment

**11. Report of the Board of Management**

The Board of Management submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of Chesta TTC'S affairs.

**Principal activities**

The principal activities of the entity continue to be

1. To provide Diploma in Primary Teacher Education (DPTE) and Diploma in Early Childhood Teacher Education (DECTE) graduates to teach in Primary Schools in Kenya.
2. To disseminate knowledge that empowers the community for socio-economic development.
3. To provide opportunities for promotion of Sustainable Development Goals (SDGs), Africa's Youth Agenda Kenya's Vision 2030 and mould talents for self-sustainability, employability and wealth creation.
4. To contribute to the realization of the Kenya government's "Big Four" initiatives.

**Results**

The results of Chesta TTC for the year ended June 30 are set out on page 1-7

**Board of Management**

The members of the Board who served during the year are shown on page vi - x.

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

---

**Auditors**

The Auditor General is responsible for the statutory audit of Chesta TTC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board



**MICHAEL K LELI**  
Secretary of the Board  
Private Bag 5-30600  
Kapenguria

## **12. Statement of Board of Management/ Member's Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and Basic Education Act 2012 require the Board members to prepare financial statements in respect of that *Chesta Teachers Training College* which give a true and fair view of the state of affairs of the *College* as at 30<sup>th</sup> June ,2025 and the operating results of the year. The Board members are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of College. The Board members are also responsible for safeguarding the assets of the College.

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

The Board members accept responsibility for the College 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 Basic Act 2012. The Board members are of the opinion that the College financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2025, and of the College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control.

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

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

---

**Approval of the financial statements**

The College's financial statements were approved by the Board on 28<sup>th</sup> August 2025 and signed on its behalf by:



.....  
**Name: Festus R. Kipomet**  
**Chairperson of the Board**



.....  
**Name :Michael K Lelit**  
**Accounting Officer/Principal**

# REPUBLIC OF KENYA

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



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

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

---

### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Chesta Teachers Training College set out on pages 1 to 51, which comprise of the statement of financial position as

---

*Report of the Auditor-General on Chesta Teachers Training College for the year ended 30 June, 2025*

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

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

### **Basis for Qualified Opinion**

#### **1. Unsupported Biological Assets**

The statement of financial position reflects biological assets balance of Kshs.1,294,000 as disclosed in Note 35 to the financial statements. However, during the year under review, Management did not carry out a stock take of the assets to confirm the number and status of the biological assets owned by the College. Further, there was no valuation report in support of the balances reflected in the financial statements.

In the circumstances, the accuracy and completeness of biological assets balance of Kshs.1,294,000 could not be confirmed.

#### **2. Long Outstanding Receivables from Exchange Transactions**

The statement of financial position reflects long-term receivables from exchange transactions balance of Kshs.8,505,518 as disclosed in Note 27(b) to the financial statements. The balance was in respect of student debtors which was long outstanding for over a period of one (1) year.

In the circumstances, the recoverability of the student debts amounting to Kshs.8,505,518 could not be confirmed.

#### **3. Inaccuracies In Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.48,541,560 as disclosed in Note 32 to the financial statements. However, review of the assets register revealed that some assets including land and buildings were not included and essential details such as asset tags, serial numbers, and model information. Further, review of documents revealed that the College owns a land parcel measuring

approximately 56 acres valued at Kshs.5,400,000 whose title deed was not provided for audit.

In the circumstances, the accuracy, existence, ownership and valuation of the property, plant and equipment balance of Kshs.48,541,560 could not be confirmed.

#### **4. Unsupported Depreciation and Amortization**

The statement of financial performance reflects depreciation and amortization expense of Kshs.3,158,399 as detailed in Note 18 to the financial statements. However, the College did not provide for audit a policy on depreciation and amortization to determine the suitability of the depreciation and amortization method and rates used.

In the circumstances, the accuracy and completeness of the depreciation and amortization expense of Kshs.3,158,399 could not be confirmed.

#### **5. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts**

The statement of comparison of budget and actual amounts reflects total budget income amount of Kshs.89,236,632. However, recomputation revealed an amount of Kshs.86,364,132 resulting in an unreconciled variance of Kshs.2,872,500.

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amounts could not be confirmed.

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

#### **Emphasis of Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final budget against actual revenue of Kshs.86,364,132 and Kshs.66,399,696 respectively resulting in an underfunding of Kshs.19,964,436 or 22% of the budget. Similarly, the budgeted expenditure was Kshs.89,236,632 against actual expenditure of Kshs.67,351,374 resulting in an under-utilization of Kshs.21,885,258 or 25% of the budget.

The revenue shortfall negatively affects its ability to meet financial obligations and delivery of intended services to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

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

In the report of the previous year, several issues were raised under Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk management and Governance. However, the Management had not resolved the issues as detailed in **Appendix 1**.

### **Other Information**

Management is responsible for the Other Information set out on page iii to xxviii which comprise of key entity information and management, the board of governors, key management team, chairman's statement, report of the principal, statement of performance against predetermined objectives, corporate governance statement, management discussion and analysis, environmental and sustainability reporting statement, report of the council/board of governors, statement of board of governors/ council's responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **Non-Remittance of Public Procurement Capacity Building Levy**

Review of documents revealed that Management did not deduct and remit the public procurement capacity building levy. This was contrary to Paragraph 3(1) of Legal Notice 206 of the Levy Order 2023 which provides that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

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.

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

### **Responsibilities of the Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

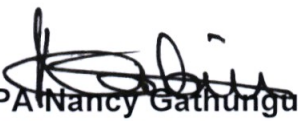
My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

Nairobi

2 December, 2025

## Appendix 1: Unresolved Prior Year's Audit Matters.

Period	Audit Issue
2023/2024	Lack of Approved Staff Establishment: No authorized staff structure or HR policies in place.
2023/2024	Non-Compliance with Ethnicity and Regional Balance: 89% of non-teaching staff from one community.
2023/2024	Lack of Internal Audit Function: No internal audit unit as required by law.
2023/2024	Lack of Approved Annual Work Plan and Board Charter: No board work plan or charter developed.
2023/2024	Irregular Board Composition and Meetings: Board had 14 members (max should be 9) and met only once in the year.
2023/2024	Lack of Audit Committee Minutes: Minutes of audit committee meetings not provided.
2023/2024	Lack of Risk Management Policy and Disaster Recovery Plan: No risk policy, recovery plan, or offsite backup.
2023/2024	Lack of Medical Cover for Staff: No medical scheme for employees.

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

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	7,848,424	9,122,005
Grants from donors and development partners	7	-	-
		<b>7,848,424</b>	<b>9,122,005</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	10	80,297,899	52,353,888
Sale of goods	11	239,445	526,045
Rental revenue from facilities and equipment	12	5,000	120,800
Miscellaneous income	14	415,200	1,206,370
<b>Revenue from Exchange transactions</b>		<b>88,805,968</b>	<b>54,207,103</b>
<b>Total Revenue</b>		<b>88,805,968</b>	<b>63,329,108</b>
<b>Expenses</b>			
Use of goods and services	15	54,251,451	32,463,243
Employee costs	16	8,738,723	7,890,425
Board Expenses	17	573,300	173,000
Depreciation and amortization expense	18	3,158,399	3,928,734
Repairs and maintenance	19	3,765,722	3,476,765
Finance cost	22	22,178	-
<b>Total Expenses</b>		<b>71,134,986</b>	<b>47,932,167</b>
<b>Other Gains/(Losses)</b>			
Gain on sale of assets	23	-	-
Gain/ Loss on fair value of investments	24	-	-
Impairment loss	25	(-)	(-)
<b>Total Other Gains/(Losses)</b>			
<b>Net surplus/(deficit) for the year</b>		<b>17,670,982</b>	<b>15,396,941</b>

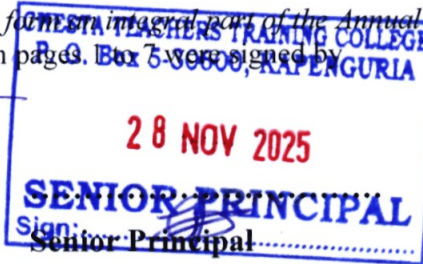
**Chesta Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

---

(The notes set out on pages 8 to 56 form an integral part of the Annual Financial Statements).  
The Financial Statements set out on pages 1 to 7 were signed by

.....  
**Chairman of Board**

**28/11/2025**



**28/11/2025**

.....  
**Finance Officer**  
**ICPAK No:34930**

**28/11/2025**

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

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


Description	Notes	2024-2025	
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	26	16,683,043	17,634,720
Current portion of receivables from exchange transactions	27a	23,234,296	8,505,518
Receivables from non-exchange transactions	28	-	-
Inventories	29	488,741	173,500
Investments in financial assets	30	-	-
<b>Total Current Assets</b>		<b>40,406,080</b>	<b>26,313,738</b>
<b>Non-Current Assets</b>			-
Investments		-	-
Property, plant and equipment	32	48,541,560	51,699,959
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	1,294,000	621,000
<b>Total Non-Current Assets</b>		<b>49,835,560</b>	<b>52,320,959</b>
<b>Total Assets</b>		<b>90,241,640</b>	<b>78,634,697</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	36	1,314,500	787,700
Refundable deposits from customers	37		-
Current provisions	38		-
Finance lease obligation	39		-
Deferred income	40		-
Employee benefit obligation	41		-
Payments received in advance	42	1,241,679	216,051
Current portion of borrowings	43		-
Social Benefits	46		-
<b>Total Current Liabilities</b>		<b>2,556,179</b>	<b>1,003,751</b>
<b>Non-Current Liabilities</b>			

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


Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Finance lease obligation	39	-	-
Deferred income	40	-	-
Non-Current Employee Benefit Obligation	41	-	-
Non-Current Provisions	43	-	-
Non- Current Borrowings	44	-	-
Service Concession Liability	45	-	-
Social benefits	46	-	-
<b>Total non- current liabilities</b>		-	-
<b>Total Liabilities</b>		<b>2,556,179</b>	<b>1,003,751</b>
<b>Net Assets</b>		<b>87,685,461</b>	<b>77,630,946</b>
Revaluation Reserves		743,000	70,000
Accumulated Surplus		26,198,215	8,527,233
Capital Fund		60,744,246	69,033,713
<b>Total Net Assets and Liabilities</b>		<b>87,685,461</b>	<b>77,630,946</b>

The Financial Statements set out on pages 14 to 21 are signed by:

  
 .....  
 Chairman of Board  
 28/11/2025

CHESTA TEACHERS TRAINING COLLEGE  
 P. O. Box 5-30600, KAPENGURIA  
 28 NOV 2025  
  
 SENIOR PRINCIPAL  
 Senior Principal.....

28/11/2025

  
 .....  
 Finance Officer  
 ICPAK No:34930  
 28/11/2025

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
<b>At July 1, 2023</b>	<b>551,000</b>	<b>(6,869,708)</b>	<b>68,611,953</b>	<b>62,293,245</b>
Revaluation gain	70,000	-	-	<b>70,000</b>
Surplus/(deficit) for the year	-	15,396,941	-	<b>15,396,941</b>
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2024</b>	<b>0</b>	<b>8,527,233</b>	<b>68,611,953</b>	<b>77,760,186</b>
<b>At July 1, 2024</b>	<b>70,000</b>	<b>8,527,233</b>	<b>60,744,246</b>	<b>69,341,479</b>
Revaluation gain	<b>673,000</b>	-	-	<b>673,000</b>
Surplus/(deficit) for the year	-	<b>17,670,982</b>	-	<b>17,670,982</b>
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
<b>At June 30, 2025</b>	<b>743,000</b>	<b>26,198,215</b>	<b>60,744,246</b>	<b>87,685,461</b>

**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).

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

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities	6	7,848,424	9,122,005
Grants from donors and development partners	7	-	-
Rendering of services- fees from students	10	57,891,627	49,130,048
Sale of goods	11	239,445	526,045
Rental revenue from facilities and equipment	12	5,000	120,800
Miscellaneous income	14	415,200	1,206,370
<b>Total Receipts</b>		<b>66,399,696</b>	<b>60,105,268</b>
<b>Payments</b>			
Use of goods and services	15	54,251,451	31,675,543
Employee costs	16	8,738,723	7,890,425
Board Expenses	17	573,300	173,000
Repairs and maintenance	19	3,765,722	3,476,765
Finance Costs		22,178	
<b>Total Payments</b>		<b>67,351,374</b>	<b>44,156,263</b>
<b>Net Cash Flows from operating activities</b>	47	<b>(951,678)</b>	<b>15,949,005</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		-	-
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease)in Cash and Cash equivalents</b>		<b>(951,678)</b>	<b>426,474</b>
Cash and Cash equivalents at 1JULY 2024	26	17,634,720	1,259,241
<b>Cash and Cash equivalents at 30 JUNE 2025</b>	26	<b>16,683,043</b>	<b>17,634,720</b>

**18. Statement of Comparison of Budget Actual Amounts For Year Ended 30 June 2025**

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>%</b>
Transfers from other National Government entities	10,113,332	-	10,113,332	7,848,424	2,264,908	22%
Transfers from other levels of government	-	-	-	-	-	0%
Rendering of services- fees from students	75,022,300	-	72,149,800	57,891,627	14,258,173	20%
Sale of Goods	618,000	-	618,000	239,445	378,555	61%
Rental revenue from facilities and equipment	-	-	-	5,000	(5,000)	0%
Miscellaneous Income	3,483,000	-	3,483,000	415,200	3,067,800	88%
<b>Total Income</b>	<b>89,236,632</b>		<b>89,236,632</b>	<b>66,399,696</b>	<b>19,964,436</b>	<b>22%</b>
<b>Expenses</b>						
Use of goods and services	77,689,324	-	77,689,324	54,251,451	23,437,873	30%
Employee costs	6,025,168	-	6,025,168	8,738,723	(2,713,555)	45%
Board Expenses	792,000	-	792,000	573,300	218,700	28%
Repairs and maintenance	4,730,140	-	4,730,140	3,765,722	964,418	20%
Finance Cost	-	-	-	22,178	(22,178)	0%
<b>Total Expenditure</b>	<b>89,236,632</b>		<b>89,236,632</b>	<b>67,351,374</b>	<b>21,885,258</b>	<b>25%</b>
<b>Surplus/deficit For the Period</b>	<b>-</b>	<b>-</b>		<b>(951,678)</b>		<b>0%</b>
<b>Capital Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>

**(Budget notes)**

- a. Fees from students increased were received as anticipated.
- b. The government released recurrent grants as expected and the amount was spent as anticipated. (10% over/ under) IPSAS 24.14
- c. Grants amounting to ksh 7,848,424 were received from MOE during the year.

**19. Notes to the Financial Statements**

**1. General Information**

Chesta Teachers Training College is established by and derives its authority and accountability from PFM Act, 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to prepare teacher trainees for DPTE, DECTE and SBA examinations.

**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 *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx.

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

The financial statements have been prepared in accordance with the PFM Act, Basic Education Act, 2012 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of New and Revised Standards**

(When an IPSAS becomes effective on 1st January 2025, it is applicable in Kenya from 1st July 20xx)

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

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

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

Standard	Effective date and impact
IPSAS 43: Leases	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and 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>

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

	<i>State the expected impact of the standard to the Entity if relevant</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,  Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:  Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>
IPSAS45: Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>
IPSAS 46: Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>
IPSAS47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>

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

<p>IPSAS48: Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>  The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.  <b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>
<p>IPSAS49: Retirement Benefit Plans</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b>  The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.  <b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b>  The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>

**iii. Early adoption of standards**

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

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

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

##### **Transfers from other government entities**

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

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

The 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.

**b) Budget information**

The original budget for FY 2024/2025 was approved by the Council or Board on **02/08/2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity did not record additional appropriations of on the FY 2024/2025 budget following the BOM 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 Cashflows has been presented.

**c) Taxes**

***Current income tax***

The entity is paying PAYE taxes deducted from employees' emoluments.

***Sales tax/ Value Added Tax***

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

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

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

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over 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.

**g) Intangible assets**

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

**h) Biological Assets**

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

**i) Research and development costs**

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

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

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

**j) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as*

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

---

*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.

***Financial assets***

***Classification***

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

### **Fair value through surplus or deficit**

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

### **Trade and other receivables**

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

### **Impairment**

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

### ***Financial liabilities***

#### ***Classification***

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

### **k) Inventories**

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

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

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

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

### **Inventories (Continued)**

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

#### **l) 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.

#### **m) Social Benefits**

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

**n) 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*).

**o) 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.

**p) 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.

**q) Foreign currency transactions**

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

**r) Borrowing costs**

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

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

**s) Related parties**

The *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.

**t) 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.

**u) Cash and cash equivalents**

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

**v) Comparative figures**

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

**w) Subsequent events**

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

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

The preparation of 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).*

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

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

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

	2024-2025	2023-2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants		-
Operational Grant	7,848,424	9,122,005
Unconditional Development grants	-	-
Other Grants		
<b>Total unconditional Grants</b>	-	<b>9,122,005</b>
<b>Conditional Grants amortized/ recognized in revenue</b>		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
<b>Total Government Grants and Subsidies</b>	<b>7,848,424</b>	<b>9,122,005</b>

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

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

**(a) Reconciliations of grants from donors and development partners**

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

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

*(There were no grants from donors and development partners during the year)*

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

Description	2024-2025 KShs	2023-2024 KShs
Transfer from County	-	-
Transfer from University	-	-
Transfer from Institute	-	-
<b>Total Transfers</b>	-	-

**9. Public Contributions and Donations**

Description	2024-2025 KShs	2023-2024 KShs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
<b>Total Donations and Contributions</b>	-	-

*(There were no donations and contributions received during the year)*

**Chesta Teachers Training College**  
**Annual Report and Financial Statements for the year ended 30th June 2025**  
**Notes to the Financial Statements (Continued)**

**10. Rendering of Services**

Description	2024-2025	2023-2024
	Kshs	Kshs
Boarding Equipment and stores	30,584,200	15,796,528
Tuition fees	2,035,700	1,164,677
Local Travelling and Transport	3,996,000	2,252,972
Repairs and maintenance	2,997,000	1,718,077
Administrative cost	2,497,500	1,455,062
Practicum	942,500	1,430,484
Electricity, Water and Conservancy	3,952,044	2,283,738
Personal Emolument	8,683,498	4,699,507
ICT Equipment & Accessories	3,996,000	2,285,695
Motor Vehicle Repair/Replacement	5,994,000	3,685,927
Examination Fees	6,033,764	3,527,697
Games kit	377,000	613,000
Medical	999,000	578,567
Activity	1,998,000	1,153,062
Assessment Fees	-	78,800
Student Council	226,200	346,724
KUCCPS	581,200	576,000
Students ID	132,276	183,000
Track Suit	942,500	1,533,200
NPR Training	-	1,581,000
Clubs & Societies	226,200	347,331
Hockey Stick	1,131,000	1,839,000
Fees Arrears	1,972,317	3,223,840
<b>Total Revenue from The Rendering of Services</b>	<b>80,297,899</b>	<b>52,353,888</b>

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

**11. Sale of Goods**

Description	2024-2025	2023-2024
	Kshs	Kshs
Sale of Farm Produce	239,445	526,045
Other sales	-	-
<b>Total Revenue from Sale of Goods</b>	<b>239,445</b>	<b>526,045</b>

*(This revenue was from sale of vegetables, Goats and milk from college farm to the local community)*

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Hire of facilities and Equipment	-	13,400
Contingent Rentals	5,000	-
Hire of Buses	-	107,400
<b>Total</b>	<b>5,000</b>	<b>120,800</b>

*(Hire of students' centre.)*

**13. Finance Income**

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

**14. Miscellaneous Income**

Description	2024-2025	2023-2024
	Kshs	Kshs
Income from sale of tender	-	43,000
Graduation fees	-	365,500
SBTSS Workshop	-	215,960
JSS Workshop	415,200	581,910
<b>Total Other income</b>	<b>415,200</b>	<b>1,206,370</b>

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

**15. Use of Goods and Services**

Description	2024-2025	2023-2024
	KShs	KShs
Boarding Equipment and stores	18,258,387	13,946,440
Tuition Expenses	5,108,550	643,270
Local Travelling and Transport	3,676,612	2,573,509
Medical	354,070	145,422
Administrative Cost	2,049,050	1,439,161
Practicum	67,400	99,370
Electricity, water and conservancy	2,224,506	1,505,302
ICT Equipment & Accessories	2,131,950	433,900
KNEC Examination expenses	9,778,180	13,500
Farm Expense	24,900	79,055
Activity	8,108,096	7,712,834
Student council	0.00	13,200
KUCCPS	897,100	574,400
NPR Training	0.00	311,450
Students' ID	235,650	185,100
Bus Hire	0.00	51,500
Tender Fee	42,000	29,900
Track Suit	875,000	1,500,000
SBTSS Workshop	0.00	129,005
Graduation fee	0.00	453,880
JSS Workshop	0.00	23,045
Games kit	350,000	600,000
Audit Fee	70,000	-
Trade payables for the year	-	787,700
<b>Total good and services</b>	<b>54,251,451</b>	<b>32,463,243</b>

**16. Employee Costs**

Description	2024-2025	2023-2024
	KShs	KShs
Salaries and wages	7,523,501	7,890,425
NSSF Expense	628,140	-
Housing Levy Expenses	240,740	-
NITA Levy	23,500	-
NHIF Expense	54,400	-
PAYE Expense	95,829	-
SHIF Expense	172,613	-
<b>Employee Costs</b>	<b>8,738,723</b>	<b>7,890,425</b>

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

**17. Board Expenses**

Description	2024-2025 Kshs	2023-2024 Kshs
Chairman's Honoraria	32,000	30,000
Directors Emoluments	-	-
Other Allowances	-	143,000
Board Expenses	541,300	-
<b>Total</b>	<b>573,300</b>	<b>173,000</b>

**18. Depreciation and Amortization expense**

Description	2024-2025 Kshs	2023-2024 Kshs
Property, plant and equipment	3,158,398.62	3,928,734
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>3,158,398.62</b>	<b>3,928,734</b>

**19. Repairs and Maintenance**

Description	2024-2025 Kshs	2023-2024 Kshs
Vehicles	472,592	1,758,755
Property	3,293,130	-
Furniture and fittings	-	1,568,010
Computers and accessories	-	150,000
<b>Total Repairs and Maintenance</b>	<b>3,765,722</b>	<b>3,476,765</b>

**20. Contracted Services**

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

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

**21. Grants and Subsidies**

Description	2024-2025	2023-2024
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
<b>Total Grants and Subsidies</b>	<b>-</b>	<b>-</b>

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

**22. Finance Costs**

Description	2024-2025	2023-2024
	Kshs	Kshs
Borrowings(Amortized Cost)*	-	-
Finance Leases(Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Bank charges	22,178	-
<b>Total Finance Costs</b>	<b>22,178</b>	<b>-</b>

*(\*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.)*

**23. Gain On Sale of Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalized	-	-
<b>Total Gain on Sale of Assets</b>	<b>-</b>	<b>-</b>

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

**24. Gain/(loss) on Fair Value Investments**

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

**25. Impairment Loss**

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

**26. Cash and Cash Equivalent**

Description	2024-2025 Kshs	2023-2024 Kshs
Current Account	16,456,857.50	17,475,443
On - Call Deposits		
Fixed Deposits Account		
Staff Car Loan/ Mortgage		
Others (Cash in hand)	226,185	159,277
<b>Total Cash and Cash Equivalent</b>	<b>16,683,042.50</b>	<b>17,634,720</b>

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

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

Financial Institution	Account number	2024-2025 Kshs	2023-2024 Kshs
<b>a) Current Account</b>			
Equity Bank	1070262301593	11,503,363.50	11,617,966
Equity Bank	1070262702629	4,124,206	5,272,634
Equity Bank	1070284141787	829,288	584,843
<b>Sub- Total</b>		<b>16,456,857.50</b>	<b>17,475,443</b>
Cash in Hand		226,185	159,277
Mobile Money account			-
<b>Sub- Total</b>		<b>226,185</b>	<b>159,277</b>
<b>Grand Total</b>		<b>16,683,042.50</b>	<b>17,634,720</b>

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

---

**27. Receivables from Exchange transactions**

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

Description	2024-2025 Kshs	2023-2024 Kshs
<b>Current Receivables</b>		
Fees arrears 2015/2016	1,158,761	1,158,761
Fees arrears 2016/2017	1,690,249	1,690,249
Fees arrears 2017/2018	1,006,284	1,006,284
Fees arrears 2018/2019	407,592	407,592
Fees arrears 2019/2020	164,936	164,936
Fees arrears 2021/2022	380,068	380,068
Fees arrears 2022/2023	473,788	473,788
Fees arrears 2023/2024	3,223,840	3,223,840
Fees arrears 2024/2025	14,728,778	-
<b>Total Current Receivables</b>	<b>23,234,296</b>	<b>8,505,518</b>

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

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

**Chesta Teachers Training College**

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

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

Description	2024-2025		2023-2024	
	Kshs		Kshs	
At the beginning of the year	-		-	
Provisions during the year	-		-	
Recovered during the year	(-)		(-)	
Write offs during the year	(-)		(-)	
At the end of the year	-		-	

*(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.)*

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

Description	2024-2025		2023-2024	
	Kshs		Kshs	
<b>Current Receivables</b>				
Capitation Grants*	-		-	
Transfers from Other Govt. entities	-		-	
Undisbursed Donor Funds	-		-	
Other Debtors(Non-Exchange Transactions)	-		-	
Less: Impairment Allowance	(-)		(-)	
<b>TotalCurrentReceivables</b>	-		-	

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

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

Description	2024-2025		2023-2024	
	Current 2024-2025	% of the total	Comparative 2023-2024	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-	%	-	%

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

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

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	(-)	(-)
Written off during the year	(-)	(-)
At the end of the year	-	-

**29. Inventories**

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores	446,791	45,000
Maintenance stores	8,200	65,300
Health Unit stores	0.00	15,000
Electrical stores	5,200	8,500
Cleaning Materials stores	21,400	2,500
Catering stores		-
Stationery stores	7,150	37,200
Less: Impairment allowance	-	-
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>488,741</b>	<b>173,500</b>

*(-The value was extracted from stores ledger-S1)*

**30. Investments in financial assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>a) Investment in Treasury Bills and Bonds</b>		
<b>Financial Institution</b>		
CBK	-	-
CBK	-	-
<b>Sub- Total</b>	<b>-</b>	<b>-</b>
<b>b) Investment with Financial Institutions/ Banks</b>		
Bank	-	-
Bank	-	-

**Chesta Teachers Training College**

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

<b>Sub- Total</b>	-	-
<b>c) Equity Investments (Specify)</b>	-	-
Equity/ Shares in Company	-	-
<b>Sub- Total</b>	-	-
<b>Grand Total</b>	-	-

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

**d) Shareholding in other entities**

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

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

**31. Prepayments**

Description		
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others (Fees received in Advance)	1,241,679	216,051
<b>Total</b>	<b>1,241,679</b>	<b>216,051</b>

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

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

**32. Property, Plant and Equipment**

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>At 1 July 2023</b>	<b>5,400,000</b>	<b>37,594,518</b>	<b>9,000,000</b>	<b>2,086,875</b>	<b>1,267,300</b>	<b>280,000</b>	-	<b>55,628,693</b>
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>	<b>5,400,000</b>	<b>37,594,518</b>	<b>9,000,000</b>	<b>2,086,875</b>	<b>1,267,300</b>	<b>280,000</b>	-	<b>55,628,693</b>
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>	<b>5,400,000</b>	<b>37,594,518</b>	<b>9,000,000</b>	<b>2,086,875</b>	<b>1,267,300</b>	<b>280,000</b>	-	<b>55,628,693</b>
<b>Depreciation And Impairment</b>								
<b>At 1 July 2024</b>	-	-	-	-	-	-	-	-
Depreciation	-	939,863	2,250,000	260,860	422,011	56,000	-	<b>3,928,734</b>
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
<b>At 30 June 2025</b>		916,366	1,687,500	228,251.88	281,480.37	44,800	-	<b>3,158,398.25</b>
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2025</b>	-	<b>1,856,229.38</b>	<b>3,937,500</b>	<b>489,111.88</b>	<b>703,491.37</b>	<b>100,800</b>	-	<b>7,087,132.25</b>
<b>Net Book Values</b>								
<b>At 30<sup>th</sup> June 2024</b>	<b>5,400,000</b>	<b>36,654,655</b>	<b>6,750,000</b>	<b>1,826,015</b>	<b>1,267,300</b>	<b>224,000</b>	-	<b>51,699,959</b>
<b>At 30<sup>th</sup> June 2025</b>	<b>5,400,000</b>	<b>35,738,289</b>	<b>5,062,500</b>	<b>1,597,763.12</b>	<b>563,808.63</b>	<b>179,200</b>	-	<b>48,541,560</b>

*[There was no capital work in progress during the year]*

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

**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 have not been revalued.

**32 (b) Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Depreciation Rate	Cost	Accumulated Depreciation	NBV
		Kshs	Kshs	Kshs
Land	0.00%	5,400,000	-	5,400,000
Buildings	2.5%	37,594,518	1,856,229.38	35,738,288.62
Plant and Machinery	20%	280,000	100,800	179,200
Motor Vehicles including Motorcycles	25%	9,000,000	3,937,500	5,062,500
Computers and Related Equipment	33.3%	1,267,300	703,491.37	563,808.63
Office Equipment, Furniture, And Fittings	12.5%	2,086,875	489,111.88	1,597,763.12
<b>Total</b>		<b>55,628,693</b>	<b>7,087,132.63</b>	<b>48,541,560.37</b>

**33. Intangible Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Cost</b>	-	-
<b>At beginning of the year</b>	-	-
Additions	-	-
<b>At end of the year</b>	-	-
Additions–internal development	-	-
<b>At end of the year</b>	-	-
<b>Amortization and impairment</b>	-	-
<b>At beginning of the year</b>	-	-
Amortization	-	-
<b>At end of the year</b>	-	-
Impairment loss	-	-
<b>At end of the year</b>	-	-
<b>NBV</b>	-	-

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

**34. Investment Property**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposal during the year	(-)	(-)
Depreciation	(-)	(-)
Impairment	(-)	(-)
Gain or loss on fair value- if fair value is elected	-	-
<b>At end of the year</b>	-	-

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

**35. Biological Assets**

	2024-2025	2023-2024
	Kshs	Kshs
Cattle	770,000	371,000
Trees	-	-
Goats	524,000	250,000
<b>Total</b>	<b>1,294,000</b>	<b>621,000</b>

**36. Trade and Other Payables**

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade payables(Sundry creditors)	1,314,500	787,700
Fees paid in advance	-	-
Salary deductions	-	-
Third-Party Payments	-	-
Other Payables(Salaries and wages)	-	-
<b>Total Trade and Other Payables</b>	<b>1,314,500</b>	<b>787,700</b>

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

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

Description	2023-2025	
	Kshs	
Consumer deposits	-	-
Caution money	-	-
Other refundable deposits	-	-
<b>Total Deposits</b>	-	-

**38. Current Provisions**

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Balance at The Beginning of The Year</b>	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision Utilised	(-)	(-)	(-)	(-)	(-)
Change Due to Discount and Time Value For Money	(-)	(-)	(-)	(-)	(-)
Transfers from Non -Current Provisions	-	-	-	-	-
<b>Total Provisions</b>	-	-	-	-	-

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

**39. Finance Lease Obligation**

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

**Maturity Analysis**

Period	Amount
	Kshs
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and Onwards	-
Less: Unearned Interest	(-)
<b>Total</b>	-

**Analysed as:**

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

**40. Deferred Income**

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

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

**41. Employee Benefit Obligations**

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Benefit Obligation	-	-
<b>Total Employee Benefits Obligation</b>	<b>-</b>	<b>-</b>

**42. Payments received in advance.**

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Fees received in advance	1,241,679		216,051	
Others (Specify)	-		-	
<b>Total</b>	<b>1,241,679</b>		<b>216,051</b>	
<b>Ageing analysis:</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>2023-2024</b>	<b>% of the Total</b>
Under one year	-	0%	-	0%
1-2 years	-	0%	-	0%
2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
<b>Total</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0%</b>

**43. Borrowings**

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

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

**43a) Analysis of External and Domestic Borrowings**

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

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

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

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

**44. Non-Current Provisions**

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

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

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

**45. Service Concession Arrangements**

Description	2024-2025	2023-2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	(-)	-
Net carrying amount	=	=
Serviceconcessionliabilityat beginning of the year	-	-
Serviceconcessionrevenue recognized	(-)	(-)
Serviceconcessionliabilityat end of the year	=	=

**46. Social Benefit Liabilities**

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

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

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

**47. Cash generated from operations.**

Surplus for the year before tax	2024-2025	2023-2024
	Kshs	Kshs
<b>Adjusted for:</b>		
Depreciation	-	-
Non-Cash grants received	(-)	(-)
Contributed assets	(-)	(-)
Impairment	-	-
Gains and Losses on Disposal of Assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	(-)	(-)
Finance Cost	-	-
<b>Working Capital Adjustments</b>		
Increase in Inventory	(-)	(-)
Increase in Receivables	(-)	(-)
Increase in Deferred Income	-	-
Increase in Payables	-	-
Increase in Payments received in advance	-	-
<b>Net Cash Flow from Operating Activities</b>	-	-

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

#### 48. Financial Risk Management

The 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 Ksh.	Fully performing Ksh.	Past due Ksh.	Impaired Ksh.
<b>At 30 June 2024</b>				
Receivables from exchange transactions	5,492,101	-	-	-
Receivables from non-exchange transactions	-	2,540,140	2,951,961	-
Bank balances	1,259,241	1,259,241	-	-
<b>Total</b>	<b>6,751,342</b>	<b>3,799,381</b>	<b>2,951,961</b>	<b>-</b>
<b>At 30 June 2025</b>				
Receivables from exchange transactions	23,234,296	14,728,778	5,281,678	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	16,683,043	16,683,043	-	-
<b>Total</b>	<b>39,917,339</b>	<b>31,411,821</b>	<b>5,281,678</b>	<b>-</b>

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

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

**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 recognized 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 former students

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 12 months	Between 12 months and 3 months	Over 3 months	Total
	RSh	RSh	RSh	RSh
<b>At 30 June 2024</b>	<b>787,700</b>		<b>787,700</b>	<b>787,700</b>
Trade Payables				
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	<b>787,700</b>		<b>787,700</b>	<b>787,700</b>
<b>At 30 June 2024</b>				
Trade Payables	2,556,179		2,556,179	2,556,179
Current Portion of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	<b>2,556,179</b>		<b>2,556,179</b>	<b>2,556,179</b>

**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 KSh	Other currencies	Total
	KSh	KSh	KSh
<b>At 30 June 2024</b>			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-	-	-
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

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

**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
<b>2023</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2024</b>			
Euro	10%	-	-
USD	10%	-	-

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**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 Kshs0.00 (2023: Kshs.0.00). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs.0.00 (2023 – Kshs.0.00)

**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	2024-2025	2023-2024
	KShs	KShs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
<b>Total Funds</b>	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	(-)	(-)
Net Debt/(Excess Cash and Cash Equivalents)	-	-
<b>Gearing</b>	0%	0%

**49. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

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

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

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

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

**50. Segment Information**

*(Where an organization 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)*

## 51. Contingent Assets and Contingent Liabilities

### Contingent Assets

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

### Contingent Liabilities

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

(Give details)

## 52. Capital Commitments

Capital Commitments	2024-2025 KShs	2023-2024 KShs
Authorized for	-	-
Authorized and Contracted for	-	-
<b>Total</b>	-	-

(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 authorized by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

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

---

**53. Events after the Reporting Period**

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

**54. Ultimate and Holding Entity**

Chesta Teachers Training College is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**55. Currency**

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

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

**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)	Time frame (Put a date when you expect the issue to be resolved)
1	Inaccuracies in Financial statements	All the errors, Omissions and commissions highlighted was adjusted appropriately	Resolved	November 2025
2	Accuracy of revenue from exchange Transactions	Supporting schedules were provided for audit.	Resolved	November 2025
3	Inventory-Annual stock taking not done	Annual stock taking is currently being done quarterly as advised	Resolved	September 2025
4	Un-disclosed Biological Assets	Biological Assets have been disclosed in the financial statements based on market price. No valuation done	Resolved	September 2025
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b>				
1	Overstretched Facilities and Resources i.e hostels	The management was optimistic of completion of female hostel by county government to accommodate the increased students' population.	Not Resolved	October 2025
2	Failure to observe one Third Rule on staff composition	The management has put in place mechanisms to employ other tribes.	Not resolved	When replacement arises.
3	Unresolved prior year matters	The issues raised in the previous years were presented to the BOM and	Resolved	June 2025

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

Reference No. of the external audit Report	Issue/ Observations from Auditor	Management comments	Status (Resolved/ Not Resolved)	Time frame (Put a date when you expect the issue to be resolved)
		addressed.		
<b>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS,RISK MANAGEMENT AND GOVERNANCE</b>				
1	Lack of internal audit function	The college will constitute an internal audit department	Not resolved	1 year
2	Lack of occupational Safety and Health Policy	The management has formulated safety and health policy and established safety and health committee.	Resolved	June 2025

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the time frame with the appointed Focal Point persons within your 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.

.....  
 Name: Michael K Lelit  
 Accounting Officer  
 (Senior principal)  
 Date 28 /11/2025

**CHESTA TEACHERS TRAINING COLLEGE**  
**P. O. Box 5-30600, KAPENGURIA**  
**28 NOV 2025**  
**SENIOR PRINCIPAL**  
 Sign:.....

**Appendix II: Projects Implemented by (The Entity)**

**Projects**

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

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

**Status of Projects completion**

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

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

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

**Appendix III- Inter-Entity Confirmation Letter**


*Name of transferring Entity: Ministry Of Education*

*Name of Receiving Entity: Chesta Teachers Training College*

Confirmation of amounts received by Chesta Teachers Training college as at 30 <sup>th</sup> June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by Ministry of Education (Kshs) as at 30th June 2025				Amount Received by [Beneficiary Entity] (Kshs) as at 30 <sup>th</sup> June 202 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
MOE.TTC/2/1/1 VO.1(47)	25/09/2024	2,022,171	-	-	2,022,171	2,022,171	-
MOE.TTC/2/1/1 VO.1(47)	09/01/2025	3,112,326	-	-	3,112,326	3,112,326	-
MOE.TTC/2/1/1 VO.1(75)	27/06/2025	2,713,927	-	-	2,713,927	2,713,927	-
<b>Total</b>					<b>7,848,424</b>	<b>7,848,424</b>	-

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

**Head of Accountants department of beneficiary Entity:**

Name ...MILTON TUEI..... Sign  Date...28/11/2025

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

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

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

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

---

**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
				-	-	
				-	-	