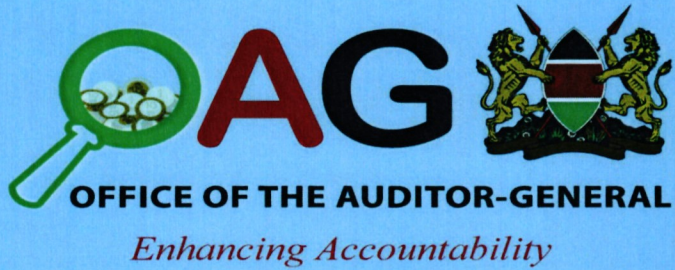


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY

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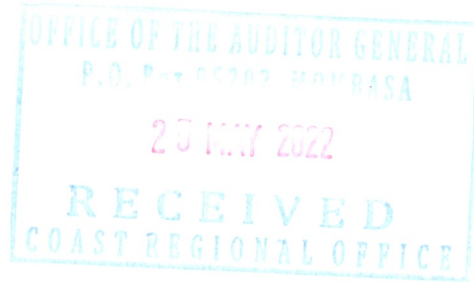
**THE AUDITOR-GENERAL**

**ON**

**COAST INSTITUTE OF TECHNOLOGY**

**FOR THE YEAR ENDED  
30 JUNE, 2021**





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**COAST INSTITUTE OF TECHNOLOGY**

**ANNUAL REPORTS AND FINANCIAL**

**STATEMENTS**

**FOR THE FINANCIAL YEAR**

**ENDED JUNE 30, 2021**

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

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**COAST INSTITUTE OF TECHNOLOGY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

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**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

Coast Institute of Technology was incorporated/established under the TVET Act on 1981 by the government to provide business and technical skills. The Institute is domiciled in Kenya in Taita Taveta County, Voi town, just about 150km north of Mombasa and 350 km from the Nairobi City. The institute is under the Ministry of Education. CIT is built on a 42 acres piece of land registered by the TVETA as per the TVET Act 2013. The institute implements TVET-CDACC, KICD, KASNEB, ABE and City & Guilds curriculum in all its fields as developed and examined by TVET-CDACC, KNEC, KASNEB, ABE and City & Guilds respectively. CIT is staffed by the Ministry of Education through the State Department of Vocational and Technical Training, Directorate of TVET.

The expansion and reforms witnessed in technical and vocational training has been necessitated by Kenya's objective of industrialization as contained in the Vision 2030 and the MDGs. For these to be realized, it is imperative to develop and effectively utilize the country's human, physical and financial resources. The Kenya Vision 2030 blue print recognizes human resource development as key to rapid development. Highly trained and flexible human resource that has the relevant knowledge and skills requires sustained and continuous Training and training of content developed and implemented in close consultation with industry.

CIT has two campuses. The town campus is situated in the central business district of Voi Town. The main campus is situated in the rich tourism region of Tsavo and its proximity to the various hotels, Camps and The Tsavo National Park that makes CIT an ideal campus for the type of training it offers. The Main campus offers both residential and off Campus training. The institute has well equipped training restaurants, a tourist class hotel which is still under construction. This facility is intended to serve both as a training facility and as an incubation facility serving other clients in search of quality and affordable hospitality services. The institute has also established a food processing factory that produces food products to the local community at the same time offering the much-needed hands on experience to the hospitality and Institutional management trainees.

**(b) Principal Activities**

The principal activity of the Institute is to provide technical, vocational, entrepreneurship training and research.

**Vision:**

To be a Center of Excellence in Technical Training, Education, Science and Technology in Kenya and beyond.

**Mission:**

To provide relevant high-quality education and training in science and Technology for sustainable development.

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**Core Values**

- i) *Uprightness and honesty*
- ii) *Transparency and accountability*
- iii) *Integrity*
- iv) *Respect for change*
- v) *Prudent environmental management*
- vi) *Professionalism*
- vii) *Respect for cultural diversity*
- viii) *Provision of equal opportunities for all*
- ix) *Respect for human dignity*

**Motto**

Skills for Self-reliance

**Quality policy**

As an ISO certified institution, Coast Institute of Technology is committed to providing affordable, accessible, and sustainable and quality training by ensuring our services are effective and efficient and meet the customer needs and expectations. The Institute is committed to complying with requirements of ISO 9001:2015 Quality Management Systems. To achieve this, the Institute has established Quality Objectives which shall be reviewed from time to time for continuous improvement.

The key Quality Objectives are to:

- Achieve and maintain a level of quality training which enhance the institutions' reputation with customers.
- Ensure compliance with the TVET Act 2013 and other relevant statutory and safety requirements.
- Endeavour to always maximize customer satisfaction.

**The Mandate of CIT is to:**

1. Produce morally upright, relevant, high quality and competitive graduates to the job market.
2. Enhance the Training and working environment.
3. Optimize utilization of human and physical resources in the institute.
4. Increase capacity for training, research and consultancy services in line with changing technology.
5. Improve exploitation of locally available resources for innovation.
6. Improve and maintain linkages and collaboration with industries.
7. Enhance the utilization of ICT in training and management of the institution.
8. Increase access taking into account gender balance and regional disparities.

**(c) Key Management**

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

- Governing board
- Accounting officer
- Deputy principal administration
- Deputy principal academics
- Registrar
- Dean of students

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**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Principal	<b>Stephen Ngome Gofwah</b>
2.	Deputy principal Finance	<b>Martin Makokha</b>
3.	Deputy principal Academics	<b>Gloria Monikombo</b>
4.	Registrar (s)	<b>Geoffrey Nyambeche</b>
5.	Dean of students	<b>Dickens Odum</b>
6.	Head of Finance	<b>Nashon Mchemi</b>
7.	Head of Procurement	<b>Asenath Bwana</b>

**(e) Fiduciary Oversight Arrangements**

- Audit and Risk Management Committee
- Finance and General-Purpose Committee
- Academic Implementation Committee

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**KEY ENTITY INFORMATION (continued)**

**(f) Entity Headquarters**

Coast institute of technology  
P.O. Box 34-80300  
Sofia, Tsavo Road  
Voi, KENYA

**(g) Entity**

**Bankers**

1. Kenya Commercial Bank  
Voi Branch  
P.O. Box 137-80300  
Voi, Kenya.

2. Equity Bank  
Voi Branch  
P.O. Box -80300  
Voi, Kenya.

3. Co-operative bank  
Voi Branch  
P.O. Box 80300  
Voi, Kenya.

4. Diamond trust Bank  
Voi Branch  
P.O. Box -80300  
Voi, Kenya.

**(h) Independent Auditors**

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

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**(i) Principal Legal Advisers**

The Attorney General  
State Law Office  
Harambee Avenue P.O.  
Box 40112  
City Square 00200  
Nairobi, Kenya

**(j) Entity Contacts**

Telephone: 0202169229/ 041 2011393  
E-mail: voicampuscit@yahoo.com  
Website: [www.cit.ac.ke](http://www.cit.ac.ke)

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**II. THE BOARD OF GOVERNORS**

1. Eng. A. S. Kitololo  
Chairman of the board



Name: Eng. A. S. Kitololo  
DOB: 08/03/1941  
Position: Chairman of the Board  
Qualifications: Bachelor of Science in Engineering-Civil.  
Work Experience: Worked with the Nairobi and Mombasa as Assistant Engineer, Senior Engineer in different Companies, currently He is a Director Kitololo Consultants in charge of Professional and technical performance and administration matters of the practice.

2. Prof Julius Mwabora



Name: Prof Julius Mwabora  
DOB: 26/07/1965  
Position: Member of the Board.  
Qualifications: B.sc, M.sc, PhD  
Work Experience: He is a Professor at The University (UON) and is the current Chairman, Department of Physics at the same University. He is a member of several Professional bodies.

3. Mr. Githinji Thiong'o



Name: Mr. Githinji Thiong'o  
DOB: 22/07/1974  
Position: Member of the Board.  
Qualifications: BSc. Agriculture, MSc. Plant Pathology  
Work Experience: He is an Agronomist working with Kenya Cereal Enhancement programme- IFAD & European Union Funded Programme (Coast Region) and is a 1<sup>st</sup> term serving BOG Member

4. Julius Nyamamba Mosoti



Name: Julius Nyamamba Mosoti  
DOB: 19/06/1963  
Position: Member of the Board and Chairs Audit and Risk Management Committee  
Qualifications: CPA (K), BA (Finance & Accounting Option), MBA  
Work Experience: He is a Lead consultant at Julmeric Management Consultancy Limited. Has vast experience in Audit and is also a member of IIA (Institute of Internal Auditors) Kenya Chapter.

5. Christine Saru Kilalo



Name: Christine Saru Kilalo  
DoB:26/12/1955  
Position: Member of the Board  
Qualifications: Master of Arts.  
Work Experience: She is a consultant and has practised as a Nurse, Midwife and Public Health Nurse. She has helped many Community Based Organization in writing project proposal and supervised to realization.

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**BOARD OF GOVERNORS**  
**(continued)**

6. Mrs. Faith Lumonya Ngaira



Mrs. Faith Lumonya Ngaira

DOB: 12/05/1952

Position: Member of the Board and Chairs Academic and Implementation committee.

Qualifications: BSc. In Electrical Engineering.

Work Experience: She worked with Ministry of Education and currently is an Education Consultant.

7. Mrs. Jeddy M. Munyao



Name: Mrs. Jeddy M Munyao

DOB: 27/09/1983

Position: Member of the Board

Qualifications: BSc. In Information Technology

Work Experience: She is currently working with Quadtel Services Limited as Accounts Manager

8. Mr. Simon Mwachia



Name: Mr. Simon Mwachia

DOB: 27/08/1966

Position: Member of the Board and Chair of Finance and General-purpose committee

Qualifications: Bachelors of Arts

Work Experience: He is a Representative of the County Government of Taita Taveta and He is also The Chief Officer in charge of Vocational Training Centres. Has vast experience in Teaching and Management.

9. Mr. Peter Mwangi



Name: Mr. Peter Mwangi

DOB: 24/02/1966

Qualifications: Master, BSc (Education)

Work Experience: He is The County Director TVET-Mombasa/Kwale/Taita-Taveta, He is a Representative of The PS Ministry of Education, State Department of Vocational and Technical Training.

10. Mr. Stephen Ngome



Name: Mr. Stephen Ngome Gofwah

Position: Principal/CEO

Qualifications: Bachelor's Degree

Work Experience: Served previously as the Principal at Ahmed Mwidani TVC, Mombasa

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**III. MANAGEMENT TEAM**

1. Mr. Stephen Ngome



Name: Mr. Ngome Stephen  
Position: Principal/CEO  
Qualifications: Bed Mech E.  
Work Experience: Served previously as the Principal at Ahmed Mwidani TVC

2. Mr. Makokha Martin



Name: Mr. Makokha Martin  
Position: Deputy Principal Administration and Planning  
Qualifications: Masters Degree  
Work experience: HOD Business department at Coast Institute of technology

3. Mrs. Gloria Monikombo



Name: Mrs. Gloria Monikombo  
Position: Deputy Principal Academics  
Qualification: Masters  
Work experience: Served previously as the Registrar at Coast institute of technology

4. Mr. Geoffrey Nyambeche



Name: Mr. Geoffrey Nyambeche  
Position: Registrar  
Qualification: Bachelor degree  
Work experience: Served as the Deputy registrar at Coast Institute of Technology.

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**MANAGEMENT TEAM (continued)**

5. Mr. Dickens Odum



Name: Mr. Dickens Odum  
Position: Dean of Students  
Qualification: Masters  
Work experience: Served previously as the HOD Tourism.

6. Mr. Nashon Mchemi



Name: Mr. Nashon Mchemi  
Position: Finance officer  
Qualification: B Com (Finance option), CPA (K), Accountancy Diploma. Work experience: Served for six periods as CIT finance officer.

7. Mrs. Asenath Bwana



Name: Mrs. Asenath Bwana  
Position: Procurement officer  
Qualification: MSc. Procurement & Logistics.  
Work experience: She has over three years' experience in Procurement, having worked in Kisii Teaching & Referral Hospital and Institute of Human Resource Management (IHR)

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**IV. CHAIRMAN'S STATEMENT.**

On behalf of the Institute Board of Governors, I am pleased to present to you Coast Institute of Technology Annual Reports and financial statements for the year ended 30th June 2021. During the period, the institute continued to deliver on our key and core mandate of provision of quality technical, vocational, educational and training (TVET), research and community outreach that is market driven and well aligned to the big four agenda.

The government of Kenya has embarked on a comprehensive reform on technical and vocational training in order to develop highly skilled manpower to provide the technical skills needed by the industry. The national plans and other strategic priorities have consistently placed emphasis on development of skills that match the industry requirements. Coast Institute of Technology reviewed the strategic plan (2019 -2023) on the basis of the vision 2030 and the big 4 agenda of the government as outlined in the constitution of Kenya 2010. I recognize with much appreciation the critical role that TVET's play in building the foundation which will move this country to a fully industrialized economy.

In the year 2020/2021, the Institute projected to focus on increasing student enrollment, improvement of infrastructure and human resource to support teaching, learning and research. In that spirit the institute has since started and close to completing a 12 number Classroom Project which is aimed at increasing enrolment and improvement of infrastructure.

Finally, I wish to acknowledge with gratitude the Government of Kenya for its goodwill and immense support to the college as it strives to implement its strategic goals and objectives. I also wish to appreciate the vital support that we have continued to receive from our development partners, students, staff and sponsors. The Board of Governors shall continue to provide the much-needed resources, advice and foresight to support the Institute as it continues to implement its goals and objectives.

pp. *Kitololo* .....

**Eng. A.S. Kitololo**

**Chair of the Board of Governors**

**DATE** *25/5/2022* .....

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**V. REPORT OF THE PRINCIPAL.**

**Dear Stakeholder,**

Coast Institute of Technology has continued to position itself as the leading technical training institution in the region. In line with the Institute growth aspirations, the strategic plan (2019-2023) was reviewed in the year ending June 2019. The strategic plan was reviewed on the basis of the vision 2030 and other strategic priorities of the government as outlined in the constitution of Kenya 2010. Our commitment is to improve service delivery, efficiency and leadership.

The Institute's core values of uprightness and honesty, transparency and accountability, integrity, respect for change, prudent environmental management, professionalism, respect for cultural diversity, provision of equal opportunities for all and respect for humanity have played a great role in realizing the Institute's dream of impacting skills for self-reliance.

The college planned for and embarked on infrastructure development in order to increase access to technical education. This included starting a 12 number classroom project to help curb the increasing number of students.

**Key projects**

During the year, CIT mentored Mwatate TVC, Msambweni TVC, Wumingu TVC, Fayya TVC, Garsen TVC, and Kinango TVC. In addition to overseeing construction, implementation and accountability of funds, the Institute, led by the Board of Governors joined efforts in building capacity in mentees personnel, employing participatory development and collaborative principles to enhance capability and institutional knowledge transfer as part of a wider change management process. We can report that these colleges have nominated BOG Members and conducted induction to them.

**Operational and Financial Performance.**

The Institute continues to deliver on its key mandate of provision of quality education, training, and research. This financial year recorded a surplus of KShs **62,596,282** compared to the last financial year which recorded a deficit of KShs **12,589,432**. The net surplus for the year is attributed to the timely disbursements of funds by the Government and HELB as well, increase in sales recorded by the institute's production units including, increase in income from sale of goods such as seminars income due to the lift of ban on public gatherings by the government, increase in income from bakery sales since most customers are public and private secondary and primary schools which were opened again after the Covid high period.

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We look forward to harnessing the ISO 9001:2005 certification and strategic plan (2019 - 2023) to guide the Institute's future developments, improve service delivery and achieve set goals and objectives. We also anticipate an increase in student enrollment, attain adequate staffing levels and improve learning infrastructure. Our ultimate objective is to acquire National polytechnic status. CIT as a result of the Covid-19 pandemic through the help of the Board has been able to roll out an e-learning platform to benefit residential and ODEL students.

**Conclusion**

During the year under review, the Institute introduced several new initiatives and measures to make its services more efficient and accessible. I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

I commend the Board, Management and staff for their tireless efforts and commitment to the attainment of Coast Institute of Technology goals. I am truly honored to serve alongside you as we endeavor to redefine the role played by CIT and drive the Institute towards realizing its strategic goals and objectives.

On behalf of Board, Management, Staff and Students, I would like to appreciate the support accorded to Coast Institute of Technology by the GOK through The National Treasury & the Ministry of Education, State Department for Vocational and Technical Training. We look forward to your continued support.

Mr. Stephen Ngome Gofwah  
Principal/Secretary BOG

.....

Date: 

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**VI. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES.**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting to include in the financial statement, a statement of the national government entity's performance predetermined objectives.

Coast Institute of Technology develops its annual work plans based on 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2020/21 period for its 4 strategic pillars, as indicated in the table below:

<b>Strategic Pillar</b>		<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Pillar 1:	Human Resource Development	To improve human resource capacity	Number of additional BOG staff engaged.	Employ more BOG staff	Additional BOG staff employed.
Pillar 2:	ICT	To fully integrate ICT in the Institute.	Number of ICT Equipment purchased and installed	Purchase additional ICT equipment for the Institute	ICT equipment purchased
Pillar 3:	Gender and youth development	To develop responsible youth to contribute to national development.	Number of Drug and substance Abuse and HIV/AIDS sensitization forums conducted	Conduct Free medical camps, talks on Drug abuse Put free condoms at every strategic point in the institution	Information on drugs and substance abuse and HIV/AIDS provided
Pillar 4:	Education and training	New and modern methods of Training enhanced	Introduce new and ICT learning and training methods.	New and modern methods of Training enhanced.	Modern Training techniques in place such as online classes

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**VII. CORPORATE GOVERNANCE STATEMENT.**

Coast Institute of Technology is committed to the values and principles of good corporate governance as an integral part of corporate culture and guides the manner in which its Governors, management, staff and students conduct the business of the organization. As a public-sector organization dedicated to providing quality service to its stake holders, the Institution's decisions are guided by the core tenets prescribed in the public Officers Ethics Act, The leadership and Integrity Act, The Authorities Code of Conduct, corporate Governance Guidelines Board and Board Committee Charters. The Institution endeavors to develop, strengthen and sustain the trust that the Government, employees, students and public has placed in it. The Board is committed to regularly evaluate national and international emerging standards in responsible, transparent and efficient management with a view of enhancing corporate governance at the Institution and consistently deliver on its statutory mandate.

**Role of the Board of Governors**

The primary function of the Board of Governors (The Board) is to provide effective strategic leadership and direction to enhance the long-term achievement of Coast Institute of Technology strategic plan. The strategic plan overall objective is to enhance the achievement of the institute's objectives on priority basis and in line with the policies of the Ministry of Education (MOE), the Vision 2030 and the big 4 agenda of the government

**The Board Size, Composition and Independence**

The Board of Governors is made up of 10 members. Its composition draws a perfect mix of skills, experience and proficiencies in various fields.

**Board Remunerations**

The non-executive Board members are paid sitting allowances for every meeting attended. Governor's fees are paid to non-executive Board members who do not represent any Government institution.

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The Board has three committees that are constituted as follows:

<b>Name of the Committee</b>	<b>Members</b>
Audit and Risk Management	1. Julius N. Mosoti- Chairman 2. Prof. Julius Mwabora -member 3. Githinji Thiong'o-member
Finance & General-Purpose Committee	1. Simon Mwachia -chairman 2. Jedy Munyao - Member 3. Githinji Thiong'o -member
Academic Implementation Committee	1. Faith Ngaira- chairman 2. Prof. Julius Mwabora-member 3. Christine S. Kilalo -member.

Four full BOG meetings, five meetings involving interviews, trainings and negotiations, one virtual meeting, three academic committee meetings, three audit committee meetings, three finance committee meeting

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**VIII. MANAGEMENT DISCUSSION AND ANALYSIS.**

Coast Institute of Technology continues to be the leading technical training institution in the region. In line with the Institute growth aspirations, the strategic plan (2019-2023) was reviewed in 2019 and is in effect. The strategic plan was reviewed on the basis of the vision 2030 and other strategic priorities of the government as outlined in the constitution of Kenya 2010.

The Institute's core values have played a great role in realizing the Institute's dream of impacting skills for self-reliance. The college has since embarked on infrastructural development in order to increase access to quality technical education. The Institute has since started and by the end of the financial year was in the final stages of completing a 12 no. Classroom project that seeks to address the issue of classroom deficiency that the institute has been witnessing. Other repair and maintenance works have also been done in the existing classrooms and hostels to ensure that the students have a peaceful stay.

CIT has continued to mentor Mwatate TVC, Msambweni TVC, Wumingu TVC, Fayya TVC, Garsen TVC, and Kinango TVC. The institute has continued to oversee, implementation and accountability of funds. The Board of Governors joined efforts in building capacity in mentees personnel, employing participatory development and collaborative principles to enhance capability and institutional knowledge transfer as part of a wider change management process. We can report that these colleges have nominated and inducted BOG Members, and some have employed qualified personnel in strategic office i.e., Accounts.

During the Financial Year, the Institute complied with its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, NHIF, NSSF, Pension and HELB within the stipulated deadlines. The Institute does not foresee any potential for contingent liabilities arising from non-compliance with statutory obligations.

Coast Institute of Technology continues to face pressure on existing resources due to inadequate learning infrastructure caused by the increasing student enrollment. The teachers and non-teaching staff to student ratio remains low. The College has since started the Construction of a 12 number Classroom Project which will help accommodate the increasing number of students being enrolled. Budgetary constraints have contributed to stalled projects. Phase II of the Centre of Excellence Complex comprising of 2 restaurants and 4 conference facilities are in dire need of funding to realize the aspired benefits.

We are looking forward to harnessing the ISO 9001:2005 certification and strategic plan (2019 - 2023) to guide the Institute's future developments, improve service delivery and achieve set goals and objectives. We also anticipate an increase in student enrollment, attain adequate staffing levels and improve learning infrastructure. Our ultimate objective is to acquire Polytechnic status. CIT as a result of the Covid-19 pandemic through the help of the Board has rolled out an e-learning platform to benefit both residential and ODEL students.

During the year, the Institute introduced new initiatives and measures to make its services more efficient and accessible. I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate

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**IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING.**

Coast Institute of Technology exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first, delivering relevant technical and practical training, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

**Sustainability strategy and profile**

The management of Coast Institute of Technology through its Board of Directors is committed towards achieving sustainability in its operations. They have put in numerous measures to ensure minimal interference and maximum focus is out to achieving its strategic goals. The management has put in great strides to win the political goodwill that is vital for the existence of the institution. There has been engagements with local leaders on issues affecting the institute and its surrounding

**Environmental performance**

Coast Institute of Technology has developed a strong drive towards environmental protection and management. It boasts a strong department managing environmental conservation, engaging in activities such as tree planting activities at least once every term, an activity that brings on board both the management and the students.

The students also participate in tree planting and waste collection and management activities within the surrounding environments including Voi town area especially during the college community days in an attempt to speed up environmental conservation and keep the environment safe.

The Institute is also in the process of developing an extensive Environmental management QMS manual that will serve to guide its operations and seek to fill the gaps in management of the environment.

**Employee welfare**

Human Resource development remains a major strategic pillar of Coast Institute of Technology. The institute has a strong Human Resource department that works closely with the administration and board of directors to ensure quality staff additions to the institution. Staff are hired on merit through a thorough recruitment process starting from the advertisements to shortlisting to interviews.

The Institute staff gender ratio is balanced with people with disabilities and women given priority during the recruitment process. Staff are continually appraised as this helps to improve their efficiency with promotions done when necessary. Outstanding members of staff are awarded during the college open days for their performances.

Members of staff operating in essential areas such as food processing and food handling undergo medical examinations and certification annually, funded by the organisation in an attempt to comply with the Health And safety Act. The institute also undergoes Health and safety checks done by the County Government department of health services to ensure its environments are fit for stay.

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**Market place practices.**

*a.* Responsible competition practice.

The institute shall ensure it adheres to principles of fair competition as outlined in our constitution. It shall also create awareness and become a leading whistle blower in the fight against corruption. The institute will conduct its activities in respect to the community but shall not bend to any political influence as it seeks to provide equal opportunities to all.

The institute shall also endeavour to maintain the best relationships with its creditors by ensuring fair treatment when it comes to award of tenders. It also promises to obey the public procurement laws and also pay its creditors on time. The creditors however shall be required to provide high quality services.

*b.* Responsible Supply chain and supplier relations

The Institute has continued to conduct extensive marketing of its services through print, audio and visual media. There has also been road shows and door to door distribution of brochures as it strives to have a personal touch with the community.

*c.* Responsible marketing and advertisement

Coast institute of technology is on the frontline to ensure its customers interests are addressed before anything else. This is achieved through providing accurate information and high quality training to its students. Prompt feedback and good customer relationships also enables the institute to maintain a good relationship with its customers.

*d.* Product stewardship.

Coast institute of technology is committed to prioritising the interests of its customers. It has a customer service charter that guides its operations on a day to day basis. The institute has been on the frontline to ensure quality education to all by supporting the less fortunate through its Founders seed bursary.

**Corporate Social Responsibility / Community Engagements**

In line with its mission and values, Coast Institute of Technology is sensitive to the impact of our activities on our students, employees, partners and other stakeholders, as well as on the community and its environment.

The College is committed to the maintenance of principled standards, respect and accountability across all its activities, these include: treating employees with fairness and respect, support staff development through allowing staff to attend trainings and workshops, volunteering in community, county, and national government activities

The college has the Founders seed bursary, an initiative that seeks to empower needy students from within Taita Taveta county where every year it allocates ksh500,000 towards the selected student's fees.

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The student council has a budget allocated towards a community day where students visit children's homes within Voi and the Coast region. The students also engage in cleaning exercises and tree planting within and around Voi town during environmental days.

Most of the students reside in Sofia and around Voi town. This has boosted local investments especially through construction of more hostels, rental houses and food joints.

The College purposes to continue collaborating with all stakeholders on issues that benefit the development of the country, growth of industries as well as giving back to the society. CIT therefore shall continue to play its crucial role towards attainment of vision 2030 and the "Big Four Agenda" as spelt out clearly in the Government priorities areas under the social, political and economic pillars.

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**X. REPORT OF THE BOARD OF GOVERNORS.**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2021 which show the state of Coast Institute of Technology affairs.

**Principal activities**

The principal activities of the entity are to be the leading institution in providing technical, vocational, entrepreneurship training and research.

**Results**

The results of the entity for the year ended June 30, 2021 are set out on page xii

**BOARD OF GOVERNORS**

The members of the Board /Council who served during the year are shown on pages vi-viii.

**Auditors**

The Auditor General is responsible for the statutory audit of Coast Institute of Technology in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



**Mr Stephen Ngome Gofwah**  
**Secretary BOG**

Date: 24/5/2022

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**XI. STATEMENT OF BOARD OF GOVERNORS/ COUNCIL MEMBERS' RESPONSIBILITIES.**

Section 81 of the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act of 2013 require the board to prepare financial statements in respect of Coast Institute of Technology, which give a true and fair view of the state of affairs of Coast Institute of Technology at the end of the financial year and the operating results of the entity for that year. The board is also required to ensure that the institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Coast Institute of Technology. The board is also responsible for safeguarding the assets of the College.

The board is responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of Coast Institute of Technology for and as at the end of the financial year ended on June 30, 2021. 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 Coast Institute of Technology; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The board accepts responsibility for Coast Institute of Technology 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 Technical and Vocational Education and Training Act of 2013. The board is of the opinion that Coast Institute of Technology financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the Institute's financial position as at that date. The board further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the Coast Institute of Technology financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

The Coast Institute of Technology financial statements were approved by the Board on

30/09/

2021 and signed on its behalf by:

**Name: Eng. A.S Kitololo**

**Signature.....**

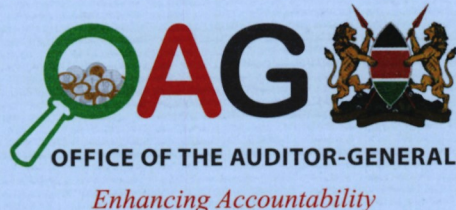
**Chairperson of the Board/Council**

**Name: Mr. Stephen Ngome Gofwah**

**Signature.....**

**Accounting Officer/Principal**

# REPUBLIC OF KENYA



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

## REPORT OF THE AUDITOR-GENERAL ON COAST INSTITUTE OF TECHNOLOGY FOR THE YEAR ENDED 30 JUNE, 2021

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### PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

#### **Adverse Opinion**

I have audited the accompanying financial statements of Coast Institute of Technology set out on pages 1 to 35, which comprise of the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly the financial position of Coast Institute of Technology as at 30 June, 2021, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

### **Basis for Adverse of Opinion**

#### **1. Overstatement of Transfers from National Government Balance**

The statement of financial performance and Note 6(a) to the financial statements reflects transfers from the National Government – grants/gifts in kind balance of Kshs.89,362,500. Review of the transfers revealed that an amount of Kshs.19,687,500 was received by the Institute on behalf of seven (7) mentee Institutions. However, the same was indicated as revenue by Coast Institute of Technology, resulting in overstatement of the grants by the same amount.

In the circumstances, the accuracy and completeness of transfers from the National Government - grants/gifts in kind of Kshs.89,362,500 could not be confirmed.

#### **2. Undisclosed Employee Costs**

The statement of financial performance and Note 12 to the financial statements reflect employee costs of Kshs.39,148,149. Review of the employees' records revealed that the Institute had eighty-two (82) employees whose salaries were paid by the Ministry of Education. However, their salaries were not disclosed as revenue grant and expenditure as required by the matching principle in accounting.

In the circumstances, accuracy and completeness of the employee costs of Kshs.39,148,149 could not be confirmed.

#### **3. Cash and Cash Equivalents Balance**

The statement of financial position and Note 18 to the financial statements reflect cash and cash equivalents balance of Kshs.73,751,627. Review of the cash and cash equivalents records revealed that the Institute operates five (5) accounts at Diamond Trust Bank, Co-operative Bank (K) Ltd, Kenya Commercial Bank Ltd - (two accounts), Equity Bank (K) Ltd and one mobile money account. The cash and cash equivalents balance also includes cash in hand of Kshs.85,315. The audit revealed the anomalies noted below:

- i. The bank reconciliation statements for Diamond Trust Bank and Kenya Commercial Bank Ltd erroneously included bank charges of Kshs.4,830 and Kshs.2,050 respectively as reconciling items.

- ii. The bank reconciliation statements for Diamond Trust Bank, Kenya Commercial Bank Ltd (Main account), Co-operative Bank (K) Ltd, Kenya Commercial Bank Ltd (Development account) for the months of July, 2020 to May, 2021 were not signed.
- iii. The bank reconciliation statement for Kenya Commercial Bank Ltd (Main account) include transactions for July, 2021 of Kshs.290,170 which is a transaction for the financial year 2021/2022.
- iv. The Cashbooks and system-generated ledgers for Diamond Trust Bank, Kenya Commercial Bank Ltd (Main account), Equity Bank and mobile money accounts and cash in hand were not provided for audit.
- v. The bank reconciliation statements for Equity Bank and mobile money accounts for the month of June, 2021 were not provided for audit.
- vi. The Management did not maintain petty cash book.
- vii. The board of survey report indicated that the head of finance was the Chairman of the Board of Survey Committee though the Committee should be headed by officers from other units.
- viii. The appointment letters for the Board of Survey Committee were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.73,751,627 could not be confirmed.

#### **4. Current Portion of Receivables from Exchange Transactions**

The statement of financial position and Note 19(a) to the financial statements reflect current portion of receivables from exchange transactions balance of Kshs.106,739,576 being an increase of Kshs.75,810,983 or 245% from the previous year balance of Kshs.30,928,593. Management did not provide an explanation for the significant increase in the receivables. Further, schedule for debtors detailing dates of services rendered and amounts due was not provided for audit. In addition, the receivables from exchange transactions were classified as current. However, ageing analysis to enable determine appropriateness of the classification and collectability and provision for bad and doubtful debts, was not provided for audit.

In the circumstances, the accuracy and completeness of current portion of receivables from exchange transactions balance of Kshs.106,739,576 could not be confirmed.

#### **5. Unsupported Property, Plant and Equipment Balance**

The statement of financial position and Note 21 to the financial statements reflects property, plant and equipment balance of Kshs.663,139,179. However, the Management did not provide assets register detailing date of acquisition, costs or valuation amount, locations and status for audit review.

In the circumstances, the existence of the assets, accuracy and completeness of property, plant and equipment balance of Kshs.663,139,179 could not be confirmed.

## **6. Unconfirmed Capital Reserves**

The statement of financial position and as reported in the previous year reflects capital reserves of Kshs.311,637,296. However, Management did not provide details of the balance by way of a Note.

In the circumstances, the accuracy and completeness of capital reserves balance of Kshs.311,637,296 could not be confirmed.

## **7. Unconfirmed Revaluation Reserve Balance**

The statement of financial position reflects revaluation reserve balance of Kshs.317,207,202. However, schedule of revalued assets, indicating details of revaluation was not provided for audit.

In the circumstances, the accuracy of revaluation reserve balance of Kshs.317,207,202 could not be confirmed.

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.295,279,226 and Kshs.271,000,733 respectively, resulting to an underfunding of Kshs.24,278,493 or 8% of the budget. Similarly, the College expended Kshs.175,237,198 against the budgeted expenditure of Kshs.295,279,226 resulting to an under expenditure of Kshs.120,042,028 or 41% of the budget.

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

#### **2. Prior Year Matters**

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues nor given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matter discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Non-Compliance with Law on Ethnic Composition**

Review of the staff biodata revealed that the Institute had a total of forty-two (42) employees, out of which, 31 or 74% were from the same ethnic group, contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which states that, “no public establishment shall have more than one third of its employees from the same ethnic community”.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, I confirm that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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

#### **Responsibilities of the Management and the Board of Governors**

The 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 control 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 control, risk management and governance.

In preparing the financial statements, the Management is responsible for assessing the Institute ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Institute or to cease its 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Governors is responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how the entity 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**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Institute's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**27 September, 2022**

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**XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021.**

	Notes	2021-2020	2019-2020
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	6	89,362,500	-
<b>Total Revenue from non-exchange transactions</b>		<b>89,362,500</b>	
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	163,812,195	172,482,994
Sale of goods	8	17,483,238	14,227,709
Rental revenue from facilities and equipment	9	228,700	517,690
Other income	10	114,100	1,106,400
<b>Revenue from exchange transactions</b>		<b>181,638,233</b>	<b>188,334,793</b>
<b>Total revenue</b>		<b>271,000,733</b>	<b>188,334,793</b>
<b>Expenses</b>			
Use of goods and services	11	126,829,223	117,046,311
Employee costs	12	39,148,149	38,904,878
Remuneration of directors	13	3,051,210	2,393,600
Depreciation and amortization expense	14	33,167,252	36,846,403
Repairs and maintenance	15	6,208,617	5,223,033
Audit fee	16	-	500,000
Grants and Subsidies	17	-	10,000
<b>Total expenses</b>		<b>208,404,451</b>	<b>200,924,225</b>
<b>Surplus/(Deficit) for the Year</b>		<b>62,596,282</b>	<b>(12,589,432)</b>

The notes set out on pages 6 to 34 form an integral part of the Annual Financial Statements.

**COAST INSTITUTE OF TECHNOLOGY**  
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**XIV. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2021.**

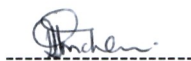
	Notes	2021-2020	2019-2020
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	18	73,751,627	89,763,368
Current portion of receivables from exchange transactions	19(a)	106,739,576	30,928,593
Inventories	20	13,566,120	1,671,251
		<b>194,057,323</b>	<b>122,363,212</b>
<b>Non-current assets</b>			
Property, plant and equipment	21	663,139,179	664,957,311
Intangible assets	22	5,512,500	7,350,000
		<b>668,651,679</b>	<b>672,307,311</b>
<b>Total assets</b>		<b>862,709,002</b>	<b>794,670,523</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	23	27,692,020	9,768,865
Refundable deposits from customers	24	3,002,016	2,589,116
Students' prepayment	23		12,893,858
<b>Total liabilities</b>		<b>30,694,036</b>	<b>25,251,839</b>
<b>Net assets</b>			
Capital Reserves		311,637,296	311,637,296
Accumulated funds		178,375,610	115,779,328
Revaluation reserve		317,207,202	317,207,202
Capital fund		24,794,858	24,794,858
<b>Total</b>		<b>832,014,966</b>	<b>769,418,684</b>
<b>Total net assets and liabilities</b>		<b>862,709,002</b>	<b>794,670,523</b>

The Financial Statements set out on pages 1 to 34 were signed on behalf of the Institute Board of Governors by:

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Chairman of Council/Board of Governors

Date 25/5/2022

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Finance Officer  
ICPAK M/No.25495

Date 24/05/2022

-----

Principal

Date 24/5/2022

**COAST INSTITUTE OF TECHNOLOGY**  
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**XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021.**

	Capital Reserves	Accumulated Surplus	Revaluation Reserve	Capital Fund	Total
<b>At July 1, 2019</b>	321,039,780	128,368,760	-	24,794,858	474,203,398
Revaluation gain	-		317,207,202	-	317,207,202
Fair value adjustment on quoted investments					
Total comprehensive income	-	(12,589,432)		-	(12,589,432)
Capital/Development grants received during the year					
Transfer of depreciation/amortization from capital fund to retained earnings	(9,402,484)	-	-	-	(9,402,484)
<b>At June 30, 2020</b>	311,637,296	115,779,328	317,207,202	24,794,858	769,418,684
<b>At July 1, 2020</b>	311,637,296	115,779,328	317,207,202	24,794,858	769,418,684
Revaluation gain	-			-	
Fair value adjustment on quoted investments	-			-	
Total comprehensive income	-	62,596,282		-	62,596,282
Capital/Development grants received during the year	-			-	
Transfer of depreciation/amortization from capital fund to retained earnings	-	-	-	-	-
<b>At June 30, 2021</b>	311,637,296	178,375,610	317,207,202	24,794,858	832,014,966

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**XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021.**

		<b>2021-2020</b>	<b>2020-2019</b>
	Note	<b>Kshs</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants	6	89,362,500	-
Rendering of services- Fees from students	7	163,812,195	172,482,994
Sale of goods	8	17,483,238	-
Rental revenue from facilities and equipment	9	228,700	517,690
Production unit		-	14,227,709
Other income	10	114,100	1,106,400
<b>Total Receipts</b>		<b>271,000,733</b>	<b>188,334,793</b>
<b>Payments</b>			
Use of goods and services	11	126,829,223	8,930,113
Employee costs	12	39,148,149	38,904,878
Remuneration of Directors	13	3,051,210	2,393,600
Repair and maintenance	15	6,208,617	5,223,033
General expenses		-	108,116,198
Grants and subsidies paid	17	-	10,000
<b>Total Payments</b>		<b>175,237,198</b>	<b>163,577,822</b>
<b>Net cash flows from operating activities</b>		<b>95,763,535</b>	<b>24,756,971</b>
<b>Working Capital Changes</b>			
Adjusted of changes in current assets			
Provision for depreciation& amortization		-	36,846,403
Provision for Audit fees		-	500,000
Trade Payables		5,442,197	7,654,576
Trade Receivables		(75,810,983)	(56,809,896)
Inventory		(11,894,869)	<b>(1,671,251)</b>
<b>Total adjusted</b>		<b>(82,263,655)</b>	<b>(13,480,168)</b>
<b>Net cash flows from operating activities</b>		<b>13,499,880</b>	<b>11,276,803</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(29,511,620)	(5,058,816)
<b>Net cash flows used in investing activities</b>			<b>6,217,987</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(16,011,742)</b>	<b>30,974,958</b>
Cash and cash equivalents at 1 JULY 2020		<b>89,763,369</b>	<b>58,788,411</b>
<b>Cash and cash equivalents at 30 JUNE 2021</b>		<b>73,751,627</b>	<b>89,763,369</b>

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**XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021.**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2020-2021 Kshs	2020-2021 Kshs	2020-2021 Kshs	2020-2021 Kshs	2020-2021 Kshs	2020-2021 %
Revenue						
Transfers from other Govt entities Govt grants	157,405,726		157,405,726	89,362,500	68,043,226	76
Rendering of services- Fees from students	104,263,500		104,263,500	163,812,195	(59,548,695)	(36)
Sale of goods	30,510,000		30,510,000	17,483,238	13,026,762	75
Rental and hire of facilities income	400,000		400,000	228,700	171,300	75
Other income	2,700,000		2,700,000	114,100	2,585,900	2,266
<b>Total income</b>	<b>295,279,226</b>		<b>295,279,226</b>	<b>271,000,733</b>	<b>24,278,493</b>	<b>9</b>
<b>Expenses</b>						
Compensation of employees	41,449,145	-	41,449,145	39,148,149	2,300,996	6
Use of Goods and services	245,050,581		245,050,581	126,829,223	118,221,358	93
Repair and maintenance	5,479,500		5,479,500	6,208,617	(729,117)	(12)
Remuneration of directors	3,300,000		3,300,000	3,051,210	248,790	8
<b>Total expenditure</b>	<b>295,279,226</b>		<b>295,279,226</b>	<b>175,237,198</b>	<b>120,042,028</b>	<b>69</b>
<b>Surplus for the period</b>						

**Budget notes**

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

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**XVIII. NOTES TO THE FINANCIAL STATEMENTS.**

**1. GENERAL INFORMATION.**

Coast Institute of Technology is established by and derives its authority and accountability from the TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provision of Technical Education.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION.**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3. ADOPTION OF NEW AND REVISED STANDARDS.**

**i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.**

Standard	Impact
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.            Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.            Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).            Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.**

<b>Standard</b>	<b>Effective date and impact:</b>
<b>IPSAS 41:</b> Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b>  The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>•Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>•Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>•Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p>No impact on the financial statements</p>
<b>IPSAS 42:</b> Social Benefits	<p><b>Applicable: 1<sup>st</sup> January 2023</b>  The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.</li> </ul> <p>No impact on the financial statements</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>

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**iii. Early adoption of standards**

The entity did not early – adopt any new or amended standards in year 2021.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

**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.

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Revenue recognition (Continued)**

**ii) Revenue from exchange transactions (continued)**

**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 2020/2021 was approved by the Council or Board on **30 June 2020**. 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 Institute upon receiving the respective approvals in order to conclude the final budget.

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

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

**c) Taxes**

***Current income tax***

Coast Institute of Technology is exempt from paying taxes.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Taxes (continued)**

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

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Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful life, using the following annual rates:

<b>Item</b>	<b>Rate</b>
i. Motor vehicle	20% Straight line
ii. Building	2% Straight line
iii. Plant, Machinery and Equipment	15%
iv. Furniture	10%
v. Computers	30%

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Institute. 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 Institute also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Institute 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 Institute. 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. The annual rate used for amortization is 25% for the Intangible Assets.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**h) Research and development costs**

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

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

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

**i) Financial instruments**

***Financial assets***

***Initial recognition and measurement***

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Institute determines the classification of its financial assets at initial recognition.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

***Held-to-maturity***

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Institute has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

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***Impairment of financial assets***

Coast institute of Technology assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

***Impairment of financial assets***

- The debtors or an entity of debtors are experiencing significant financial difficulty.
- Default or delinquency in interest or principal payments.
- The probability that debtors will enter bankruptcy or other financial reorganization.
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

***Financial liabilities***

***Initial recognition and measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. Coast Institute determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

***Loans and borrowing***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**j) Inventories**

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Inventories**

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.

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 Institute.

**k) Provisions**

Provisions are recognized when the Institute 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 Institute 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***

Coast Institute of Technology 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 Institute 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.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l) Nature and purpose of reserves**

Coast Institute of Technology creates and maintains reserves in terms of specific requirements. The Institute currently has accumulated surplus and capital fund accumulated over the years.

**Changes in accounting policies and estimates**

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

**m) Employee benefits**

**Retirement benefit plans**

Coast Institute of Technology 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 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.

**n) Foreign currency transactions**

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

**o) 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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p) Related parties**

The Institute 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 Institute, or vice versa. Members of key management are regarded as related parties and comprise the Board of directors, the principal and senior managers.

**q) Service concession arrangements**

Coast Institute 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 Institute 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 Institute also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**r) 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.

**s) Comparative figures**

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

**t) 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, 2021.

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Institute'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 Institute 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 Institute. 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 Institute
- 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

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**6. (a) TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES**

<b>Description</b>	<b>2021-2020</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>Unconditional grants</b>		
Capitation grants	73,407,500	-
Operational grant	15,955,000	-
Other grants	-	-
<b>Total government grants and subsidies</b>	<b>89,362,500</b>	<b>-</b>

**(b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES**

<b>Name of the Entity sending the grant</b>	<b>Amount recognized to Statement of Comprehensive Income</b>	<b>Amount deferred under deferred income</b>	<b>Amount recognized in capital fund.</b>	<b>Total grant income during the year</b>	<b>2021-2020</b>
Ministry of Education	-	-	-	-	89,362,500
<b>Total</b>					<b>89,362,500</b>

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**7. RENDERING OF SERVICES**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Tuition fees	92,559,870.00	80,870,300.00
Activity fees	7,003,400.00	8,563,550.00
Industrial attachment fees	6,199,350.00	7,635,450.00
Library fees	2,540.00	53,050.00
Registration fees	181,600.00	261,500.00
Administrative	0	3,500.00
Boarding fees	5,548,180.00	8,002,650.00
Centre fees	46,450.00	19,540.00
Course uniform	11,500.00	5,500.00
Development fund	3,922,000.00	5,058,000.00
E.W.C	6,920,260.00	8,265,500.00
Field practical fees	1,400,000.00	703,500.00
L.T& T	6,152,265.00	7,556,405.00
Medical fund	0	6,200.00
Personal emolument	18,223,360.00	24,122,470.00
Practical	6,059,050.00	6,684,500.00
R.M. I	3,438,225.00	4,144,350.00
Tour	13,790.00	3,087,500.00
Tuition-P	58,800.00	4,779,600.00
Application fees	69,400.00	99,000.00
Damages	192,035.00	85,179.00
Graduation Fees	1,272,400.00	1,534,950.00
Student ID	275,000.00	353,800.00
Graduation	275,000.00	587,000.00
Teaching practice	125,400.00	-
Library fine	38,070.00	-
Data bundle-online classes	2,410,800.00	-
Packages	388,050.00	-
Student benevolent	1,010,300.00	
Student council constitution	100.00	
KUCCPS Placement fees	15,000.00	
<b>Total revenue from the rendering of services</b>	<b>163,812,195.00</b>	<b>172,482,994.00</b>

**These are amounts charged to students based on an approved fee structure. The amount paid by each student depends on the nature of the course and the module.**

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**8. SALE OF GOODS**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>Seminars</b>	5,661,000.00	2,103,150.00
Bakery	4,374,965.00	4,321,860.00
Catering	1,418,910.00	1,389,005.00
Farm income	723,021.00	1,680,402.00
Other production units	723,742.00	4,733,292.00
Project income	4,581,600.00	-
<b>Total revenue from the sale of goods</b>	<b>17,483,238.00</b>	<b>14,227,709.00</b>

These are sales from the institute's production units

**9. HIRE OF FACILITIES AND EQUIPMENT**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Hire of facilities and equipment	140,200.00	460,190.00
Rent Income	88,500.00	57,500.00
<b>Total</b>	<b>228,700.00</b>	<b>517,690.00</b>

**10. OTHER INCOME**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Disposal of assets	81,100.00	10,500.00
Tender sales	3,000.00	83,000.00
KATTI regional activity	29,000.00	-
Other income	1,000.00	977,900.00
Donation	-	35,000.00
<b>Total other income</b>	<b>114,100.00</b>	<b>1,106,400.00</b>

Other income raised from other activities as listed above

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**11. USE OF GOODS AND SERVICES**

Description	2020-2021	2019-2020
	KShs	KShs
Development fund expenses	285,776	17,647,519
Teaching and learning materials	22,239,938	
Industrial attachment costs	511,300	1,534,470
Electricity, Water and fuel	7,143,384	8,930,113
Subscriptions	636,180	-
Advertising- Enrollment and marketing	698,797	1,539,565
Exam expenses	430,620	333,960
Audit fees	500,000	500,000
Catering, Conferences, and delegations	4,852,492	7,582,848
Conferences, and delegations-seminar expenses	2,966,838	9,363,778
consumables	-	6,776,476
TVET fairs and shows	-	1,615,050
Insurance	1,249,288	1,149,004
Tours expenses	5,300	491,017
Grant expenditure	12,172,038	19,758,955
Medical expenses	855,944	1,673,458
Hire charges	24,000	-
Internet expenses-telecommunication	2,912,345	2,410,685
Boarding equipment and stores	1,984,122	6,088,435
Farm expenses	2,039,880	2,281,108
Bakery expenses	4,707,926	3,884,474
Practicals expense	8,565,184	8,723,495
Student Activity expense	317,536	1,493,958
Production unit expenses	8,879,240	2,203,486
Mentee expenses	23,855,311	6,696,899
Town campus expenses	2,164,593	2,518,082
Graduation expenses	323,935	976,180
Tender expenses	171,500	
Covid response expenses	5,686,728	
Other general expenses-miscellaneous, student ID, benevolent fund, data bundle, project,	3,733,192	873,296
VAT deduction	633,936	-
Student council	597,979	
Examination fees	5,683,920	
Total good and services	126,829,223	117,046,311

**These comprises general expenses**

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**12. EMPLOYEE COSTS**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Salaries and wages	23,990,007.52	19,765,850
Employee related costs - contributions to pensions and medical aids-NSSF, NHIF and PAYE	12,200,319.50	11,946,990
Travel, motor car, accommodation, subsistence and other allowances-LT T	2,957,821.62	7,192,038
<b>Employee costs</b>	<b>39,148,148.64</b>	<b>38,904,878</b>

These include wages paid to employees and contributions to registered schemes

**13. REMUNERATION OF DIRECTORS**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Directors' emoluments	3,051,210	2,393,600
<b>Total director emoluments</b>	<b>3,051,210</b>	<b>2,393,600</b>

This includes allowances paid to Board members

**14. DEPRECIATION AND AMORTIZATION EXPENSE**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Property, plant and equipment	31,329,752	34,471,403
Intangible assets	1,837,500	2,375,000
<b>Total depreciation and amortization</b>	<b>33,167,252</b>	<b>36,846,403</b>

This constitutes depreciation charged on assets

**15. REPAIRS AND MAINTENANCE**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Property, equipment and machinery	3,981,467.58	5,223,033
Electricals and mechanicals	1,353,327.40	0
Motor Vehicles	473,512	0
Environment and beautification	381,160	0
Other	19,150	0
<b>Total repairs and maintenance</b>	<b>6,208,616.98</b>	<b>5,223,033</b>

These are repairs and maintenance costs

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**16. AUDIT FEE**

Description	2021-2020	2019-2020
	KShs	KShs
<b>Audit Fee</b>	-	500,000
Audit fee	-	500,000

**17. GRANTS AND SUBSIDIES**

Description	2020-2021	2019-2020
	KShs	KShs
Donations	-	10,000
<b>Total grants and subsidies</b>	-	10,000

**There were no donations recorded**

**18. DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS**

		2021-2020	2019-2020
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Co-operative bank-	01129220357100	2,649,352	8,151,095
Diamond trust bank-	0255123001	860,000	2,646,684
Equity Bank-	0790299323142	3,870,892	8,265,806
Kenya commercial bank-	1104806185	3,627,576	9,312,711
Kenya commercial bank-	1119962285	61,137,523	61,377,767
<b>Sub- total</b>		<b>72,145,343</b>	<b>89,754,063</b>
<b>e) Others</b>			
Cash in hand	0	85,315	9,305
Mobile Money account-	4030613	1,520,969	0
<b>Sub- total</b>		<b>1,606,284</b>	<b>9,305</b>
<b>Grand total</b>		<b>73,751,627</b>	<b>89,763,368</b>

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**19. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

**19a. Current Receivables from Exchange Transactions**

<b>Description</b>	<b>2021-2020</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>Current receivables</b>		
Student debtors	97,690,566	27,361,495
Trade debtors	5,368,120	2,832,945
Imprest	3,680,890	734,153
<b>Total current receivables</b>	<b>106,739,576</b>	<b>30,928,593</b>

**20. INVENTORIES**

<b>Description</b>	<b>2021-2020</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Catering stores	125,887	69,214
Bakery	223,815	210,415
Farm stores	105,655	141,240
Consumable stores	13,110,763	870,862
Electrical stores		131,100
Laboratory stores		191,000
Health unit stores		45,090
Seminar stores		12,330
Building dept stores		-
<b>Total inventories at the lower of cost and net realizable value</b>	<b>13,566,120</b>	<b>1,671,251</b>

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**21. PROPERTY, PLANT AND EQUIPMENT**

	Land		Building		Computers		Furniture		Plant M.E		Motor Vehicles		Work in progress		Total		
	Shs	0	Shs	0.02	Shs	0.3	Shs	0.1	Shs	0.15	Shs	0.2	Shs	Shs	Shs	Shs	
Cost																	
Cost or valuation		0															
At 1 July 2019		126,000,000		408,000,000		12,194,620		11,962,935		135,950,159		5,321,000		-		699,428,714	
Additions																	
Disposals																	
Transfers/adjustments																	
At 30 <sup>th</sup> June 2020		126,000,000		408,000,000		12,194,620		11,962,935		135,950,159		5,321,000		-		699,428,714	
Additions																	
Disposals																	
Accumulated Depreciation				8,160,000		3,658,386		1,196,294		20,392,524		1,064,200		-		34,471,403	
At 30 <sup>th</sup> June 2020				399,840,000		8,536,234		10,766,642		115,557,635		4,256,800		-		664,957,311	
Depreciation and impairment																	
At 1 July 2020																	
Additions during the year						2,356,070		99,500		100,000		3,892,105		23,063,945		29,511,620	
Depreciation				7,996,800		3,267,912		1,086,614		17,348,645		1,629,781		-		31,329,752	
At 30 <sup>th</sup> June 2021				7,996,800		3,267,912		1,086,614		17,348,645		1,629,781		23,063,945		31,329,752	
Net book values																	
At 30 <sup>th</sup> June 2021		126,000,000		391,843,200		7,624,392		9,779,527		98,308,990		6,519,124		23,063,945		663,139,179	

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**22. INTANGIBLE ASSETS-SOFTWARE**

<b>Description</b>	<b>2021-2020</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>Cost</b>		
<b>At beginning of the year</b>	7,350,000	9,800,000
Additions		-
<b>At end of the year</b>	7,350,000	9,800,000
Additions–internal development	-	-
<b>At end of the year</b>	7,350,000	9,800,000
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	7,350,000	7,350,000
Amortization	(1,837,500)	-
<b>At end of the year</b>	5,512,500	7,350,000
Impairment loss	-	-
<b>At end of the year</b>	<b>5,512,500</b>	<b>7,350,000</b>

**23. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

<b>Description</b>	<b>2021-2020</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Trade payables	10,724,850	9,343,866
Fees paid in advance	15,911,537	12,893,858
Employee advances	555,633	
Audit fees	500,000	500,000
Other payables		
<b>Total trade and other payables</b>	<b>27,692,020</b>	<b>22,737,724</b>

**24. REFUNDABLE DEPOSITS FROM CUSTOMERS/STUDENTS**

<b>Description</b>	<b>2021-2020</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Consumer deposits	400	-
Caution money	3,001,616	2,589,116
<b>Total deposits</b>	<b>3,002,016</b>	<b>2,589,116</b>

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**25. CASH GENERATED FROM OPERATIONS**

	<b>2021-2020</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
	62,596,282	(12,079,432)
<b>Adjusted for:</b>		
Depreciation	33,167,252	36,846,403
<b>Working Capital adjustments</b>		
Increase in inventory	(11,894,869)	(1,671,251)
Increase in receivables	(75,810,983)	(56,809,896)
Increase in payables	5,442,197	7,654,576
<b>Net cash flow from operating activities</b>	<b>13,499,880</b>	<b>(26,059,600)</b>

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**26. FINANCIAL RISK MANAGEMENT**

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

**(i) Credit risk**

Coast Institute 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:

	<b>Total amount</b> <b>Kshs</b>	<b>Fully performing</b> <b>Kshs</b>	<b>Past due</b> <b>Kshs</b>	<b>Impaired</b> <b>Kshs</b>
<b>At 30 June 2020</b>				
Receivables from exchange transactions	30,928,593	30,928,593		
Bank balances	89,763,369	89,763,369		
<b>Total</b>	<b>120,691,962</b>	<b>120,691,962</b>		
<b>At 30 June 2021</b>				
Receivables from exchange transactions	106,739,576	106,739,576		
Bank balances	73,751,627	73,751,627		
<b>Total</b>	<b>180,491,203</b>	<b>180,491,203</b>		

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FINANCIAL RISK MANAGEMENT (Continued)**

**(i) Credit risk (continued)**

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

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

The board of directors sets the Institute'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 Institute'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 Institute 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.

	<b>Less than 1 month</b>	<b>Between 1-3 months</b>	<b>Over 5 months</b>	<b>Total</b>
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Trade payables	9,768,865		-	9,768,865
Other payables	2,589,116		-	2,589,116
Total	12,893,858			12,893,858
At 30 June 2021				
Trade payables	10,724,850		-	10,724,850
Other payables	16,967,170		-	16,967,170
Total	27,692,020			27,692,020

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FINANCIAL RISK MANAGEMENT (Continued)**

**(iii) Market risk**

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

a) Interest rate risk

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

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**iv) Capital Risk Management**

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

	<b>2021-2020</b>	<b>2020-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Capital Reserves	311,637,296	311,637,296
Accumulated funds	178,375,610	115,779,328
Revaluation reserve	317,207,202	317,207,202
Capital fund	24,794,858	24,794,858
<b>Total</b>	<b>832,014,966</b>	<b>769,418,684</b>

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

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

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

	<b>2021-2020</b>	<b>2020-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Transactions with related parties</b>		
<b>a) Purchases from related parties</b>		
Purchases of electricity and water from KPLC & TAVEVO	7,143,384	8,930,113
<b>Total</b>	<b>7,143,384</b>	<b>8,930,113</b>
<b>a) Grants /Transfers from the Government</b>		
Grants from National Govt	89,365,200	
<b>Total</b>	<b>89,365,200</b>	
<b>b) Key management compensation</b>		
Directors' emoluments	3,051,210	2,393,600
<b>Total</b>	<b>3,051,210</b>	<b>2,393,600</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**28. EVENTS AFTER THE REPORTING PERIOD**

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

**29. ULTIMATE AND HOLDING ENTITY**

Coast Institute Technology is a Semi- Autonomous Government Agency under the Ministry of Education, State Department of Technical and Vocational Training. Its ultimate parent is the Government of Kenya.

**30. CURRENCY**

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

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**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status:</b>  <i>(Resolved / Not Resolved)</i>	<b>Timeframe:</b>  <i>(Put a date when you expect the issue to be resolved)</i>


**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 timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

Note: The College has not yet received an Audit certificate, therefore we have not started follow ups.

Mr. Stephen Ngome

Principal/ Secretary to the Board

  
 .....

Date. 24/1/2022 .....

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**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 these financial statements (Yes/No)
1						
2						

**Status of Projects completion**

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

Note: The College did not receive Development grants in the FY 2020-2021, therefore we have no data to complete the above form.

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**APPENDIX III: INTER-ENTITY TRANSFERS**

ENTITY NAME:		COAST INSTITUTE OF TECHNOLOGY		
<b>Break down of Transfers from the State Department of Vocational and Technical Training</b>				
<b>FY 2020/2021</b>				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Coast Institute of Technology	06-Oct-20	15,877,500	FY 2020/2021
		10-Feb-21	307,500	FY 2020/2021
		13-Feb-21	15,877,500	FY 2020/2021
		30-Mar-21	17,227,500	FY 2020/2021
		30-Jun-21	20,385,000	FY 2020/2021
			<b>69,675,000</b>	
	Msambweni Technical and Vocational College	09-Oct-20	500,000	FY 2020/2021
		23-Feb-21	500,000	FY 2020/2021
		30-Mar-21	500,000	FY 2020/2021
		25-Jun-21	500,000	FY 2020/2021
		30-Jun-21	255,000	FY 2020/2021
			<b>2,255,000</b>	
	Taveta Technical and Vocational College	09-Oct-20	500,000	FY 2020/2021
		09-Oct-20	660,000	FY 2020/2021
		12-Feb-21	660,000	FY 2020/2021
		23-Feb-21	500,000	FY 2020/2021
		30-Mar-21	972,500	FY 2020/2021
		25-Jun-21	500,000	FY 2020/2021
		08-Jul-21	855,000	FY 2020/2021
			<b>4,647,500</b>	
	Mwatate Technical and Vocational College	09-Oct-20	500,000	FY 2020/2021
		23-Feb-21	500,000	FY 2020/2021
		30-Mar-21	500,000	FY 2020/2021
		25-Jun-21	500,000	FY 2020/2021
			<b>2,000,000</b>	
	Wumingu Technical and Vocational College	09-Oct-20	500,000	FY 2020/2021

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		23-Feb-21	500,000	FY 2020/2021
		30-Mar-21	500,000	FY 2020/2021
		25-Jun-21	500,000	FY 2020/2021
			<b>2,000,000</b>	
	Kinango Technical and Vocational College	09-Oct-20	500,000	FY 2020/2021
		09-Oct-20	780,000	FY 2020/2021
		23-Feb-21	500,000	FY 2020/2021
		23-Feb-21	765,000	FY 2020/2021
		30-Mar-21	1,167,500	FY 2020/2021
		25-Jun-21	500,000	FY 2020/2021
		30-Jun-21	1,072,500	FY 2020/2021
			<b>5,285,000</b>	
	Garsen Technical and Vocational College	09-Oct-20	500,000	FY 2020/2021
		23-Feb-21	500,000	FY 2020/2021
		30-Mar-21	500,000	FY 2020/2021
		25-Jun-21	500,000	FY 2020/2021
			<b>2,000,000</b>	
	FAYYA Technical and Vocational College	09-Oct-20	500,000	FY 2020/2021
		23-Feb-21	500,000	FY 2020/2021
		30-Mar-21	500,000	FY 2020/2021
			<b>1,500,000</b>	
		<b>Total</b>	<b>89,362,500</b>	

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

Finance Officer

Coast Institute of Technology

Sign



Chief Finance  
Officer  
Ministry of  
Education-VTT

Sign-----

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**APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	xxx	Recurrent	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Ministry of Education	xxx	Development	xxx	xxx	xxx	xxx	xxx	xxx	xxx
USAID	xxx	Donor Fund	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Ministry of Education	xxx	Direct Payment	xxx	xxx	xxx	xxx	xxx	xxx	xxx
			xxx	xxx	xxx	xxx	xxx	xxx	xxx
<b>Total</b>			xxx	xxx	xxx	xxx	xxx	xxx	xxx

