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REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 JUL 2025	DAY: Wednesday
TABLED BY: Deputy Majority Leader Chon. Owen Baya, CBS, MP	
PREPARED BY: Irene Ndukus	

THE AUDITOR-GENERAL

ON

NJORO TECHNICAL TRAINING INSTITUTE

**FOR THE EIGHTEEN (18)
MONTHS PERIOD ENDED
30 JUNE, 2024**

Njoro Technical Training Institute
Report and Financial Statements for the 18 Months ended 30th June 2024



Technology And Innovations At Best

NJORO TECHNICAL TRAINING INSTITUTE

REPORT AND FINANCIAL STATEMENTS

FOR THE 18 MONTHS ENDED

30TH JUNE 2024

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

Njoro Technical Training Institute
Report and Financial Statements for the 18 Months ended 30th June 2024

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1.

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Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
RVNP	Rift valley National Polytechnic
Njoro TTI	Njoro Technical Training Institute

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

b.

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2. Key Entity Information and Management

(a) Background information

Njoro Technical Training Institute is a public TVET institution situated in Nakuru County, Njoro Constituency, Njoro ward, Njoro location, Jewathu sub-location. It sits on a 5.1 acres piece of land acquired by NG-CDF-Njoro. The institute opened its doors for training on January 2023 following successful registration and accreditation by regulatory bodies. The institute derives its mandate and functions from Technical and Vocational Education and Training Act 2013 and is still under transitional mentorship by the Rift Valley National

(b) Principal Activities

The objects and functions of the of the TTI are set out in TVET ACT 2013 , among other functions its principal activity is to provide , directly or in collaboration with other institutions of higher learning, facilities for technical, technological, professional , scientific education and training.

Vision

To be an unparalleled destination in provision of technical and innovative solutions to challenges facing humanity.

Mission

To promote access and equity of technical and vocational training as a vehicle for self-reliance and industrialization of Kenya

- To produce relevant skilled manpower suitable for market needs through training and research;
- To provide technological solutions through Research and Innovations;
- To promote technology transfer to the community and industry;
- To improve on the human, physical and organizational capacity;
- To maintain a competitive edge and corporate image through quality service delivery, good governance and Corporate Social Responsibility activities.

Core Values

To meet the expectations of our stakeholders, we are committed to the following values:

- i. Professionalism,
- ii. Transparency
- iii. Accountability
- iv. Integrity
- v. Efficiency
- vi. Team Spirit

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vii. Ethical and evidence-based decision-making

(c) Key Management

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

- Board of Governors.
- Accounting officer/ Principal
- Deputy Principal
- Registrar
- Dean of students
- Accountant
- Procurement Officer

(d) Fiduciary Management

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

SN	Designation	Name
1.	Principal	Dr. Sheila Kandie
2.	Deputy principal Academics	Mrs. Tabitha Githaiga
3	Registrar (s)	Mr. Felix Onsinyo
4	Dean of students	Mr. Connely Murgor
5	Head of Finance	Mrs. Hellen Komen
6	Head of Procurement	Mr. Albert Keru

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Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The Board committees facilitate decision making to assist in the execution of its duties and responsibilities in full observation of the The following are the sub-committees of the Council: -

<i>Finance and Human Resource Management Committee</i>	
Winfred Munyaka	Chair
Eng. Job Tomno	Member
Eng. Esther Rutto	Member
James Muchiri (PS Rep.)	Member

Audit and Risk Management Committee	
Dr. Julius Tangu	Chair
Maureen Nyabochoa	Member
Jepi Lentoijoni	Member
James Muchiri (PS Rep.)	Member

Academic and Infrastructure Committee	
Eng. Esther Rutto	Chair
Jepi Lentoijoni	Member
Eng. Job Tomno	Member
Winfred Munyaka	Member
Mr. James Muchiri (PS Rep.)	Member

rules of conduct and procedures of the Board. Approvals of all the decisions are however done by the Board of Governors. During the period under review, the following committees of the Board were in place;

(f) Entity Headquarters

P.O. Box 565-20107
 Njoro, KENYA
 2 KM off poly Rd along Njoro Boys-Rumwe Rd.

(g) Entity Contacts

Telephone: (254) 704802929
 E-mail: njorotti@gmail.com or njotti@njotti.ac.ke
 Website: www.njotti.ac.ke

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(h) Entity Bankers

Kenya Commercial Bank
Njoro Branch
Account No: **1320655548**
P.O. Box 6788 - 20100
Nakuru, Kenya

Kenya Commercial Bank
Account No: **1260436969**
Eldoret Branch
P.O Box 6788-30100
Eldoret, Kenya

(i) Independent Auditors

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

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Key Entity Information and Management (Continued)

(j) Principal Legal Adviser

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

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3. The Board of Governors

MEMBER/ DIRECTOR	DETAILS
 <p>Dr. Richard Moindi Chairman of the Board</p>	<p>Date of Birth: 1968 Qualification: PhD in Educational Management Institution: Egerton University Work experience: Director Group of SME's – 23 years</p>
 <p>Dr. Julius Rotich Tangu Member</p>	<p>Date of Birth: 1954 Qualification: PhD, MSc, MBA and BCom Institution: University of Nairobi Work experience: Lecturer UON, Director KCCT, Assistant Director KACA, MD NCPB, Deputy Secretary General EAC, Chairman Chuka University Council– 40 years</p>
 <p>Eng. Job K. Tomno Member</p>	<p>Date of Birth: 1960 Qualification: BSc. (Civil Engineering) and MBA Institution: University of Nairobi & Mount Kenya University Work experience: Worked in the Water sector - 39 years</p>
 <p>4.Eng. Esther Rutto</p>	<p>Date of Birth: 1961 Qualification: MSC. in Energy Management, BSc. Electrical Engineering Institution: University of Nairobi Work experience: - General Manager REREC 13Years, Registered EBK – 20 Years</p>

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Council Member	
 <p>Jepi Lentoijoni Member</p>	<p>Date of Birth: 1962 Qualification: MSc. Agriculture, BA Development Studies Institution: University of London & University of South Africa (UNISA) Work experience: - Programme Manager UNDP – Ministry of Environment over 30 years</p>
Name of Council member	Biography
 <p>Ms. Maureen Nyabochoa Member</p>	<p>Date of Birth: 1978 Qualification: Bachelor of Laws Diploma in Law Institution: Moi University (Eldoret) and Kenya School of Law Work experience: State Counsel, Office of the Attorney General and Department of Justice, 18 years</p>
 <p>Ms. Winfred Munyaka Member</p>	<p>Date of Birth: 1962 Qualification: MA Arts in Biblical Studies Institution: Washington Baptist Theological Seminary Work experience: Co-ordinator Women Group – 11 Years</p>
 <p>James Muchiri Member</p>	<p>Date of Birth: 1973 Qualification: Masters in Education Planning Institution: Kenyatta University Work experience: Ministry of Education - 20 Years</p>
	<p>Dr Sheila Kandie is the Chief Executive Officer of the Institute serving as the Principal. She e holds a Doctor of</p>

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DR SHEILA KANDIE
PRINCIPAL




philosophy in Educational Management from Moi University and a certificate in Senior management training from Kenya School of Government. Dr. Sheila has over 21 years of experience in training and education. She has served as Head of Department, Dean of students and Deputy Principal in various public institutions.

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4. Key Management Team

SN.	Member/ Director	Details
1.	 <p data-bbox="363 1043 767 1106">DR SHEILA KANDIE DOCTRATE OF PHILOSOPHY</p>	PRINCIPAL
2.	 <p data-bbox="520 1529 879 1592">MRS TABITHA GITHAIGA MASTERS</p>	DEPUTY PRINCIPAL
3.		REGISTRAR

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	 <p>MR. FELIX ONSIOYO BACHELOR OF COMMERCE AG. REGISTRAR</p>	
4.	 <p>MR CORNELY YEGON DIPLOMA CIVIL ENGINEERING</p>	DEAN OF STUDENTS
5.	 <p>MRS HELLEN KOMEN CPA</p>	ACCOUNTANT.

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5. Chairman's Statement

It is with great honor to present the annual report and financial statement of NJORO TECHNICAL TRAINING INSTITUTE (NJORO TTI) as a mentee institution of Rift Valley National Polytechnic for the financial year ended 30th June 2024 to our stakeholders. We are sincerely grateful to our staff, students, parents, donors, sponsors and collaborators for their continued commitment and support. Their support motivates and gives us the strength to drive the institution forward, to build on and consolidate the NJORO TTI strong profile, good reputation and positive impact. I acknowledge the NJORO TTI commitment to produce top notch-equipped graduates in Technical and Vocational Education and Training (TVET) and be exemplary champions in their profession and become responsible citizens in their career tour and service to the nation.

It is expected that the government will continue to contribute to the realization of our dreams as we look out to other partners and sources of revenue to fund the planned expansion.

We have put in place quite some measures such as public sensitization on the new funding model as directed by the Ministry of Education on higher education funding and, I look forward to enhanced, timely disbursements for smooth operations. Through a collaborative process of management working among staff and trainees, with the full support of the board, we have continuously worked to ensure that the institution meets its financial obligations for sustainability and for its infrastructural expansion. We continue to improve training facilities to gain competitive edge and meet the requirements of the extremely competitive environment since every constituency boasts of a public TVET institution as well as Private Colleges.

Our commitment is to continue setting the right tone at the top geared towards the realization of the institution's vision and mission. We feel indebted to all the stakeholders who contributed to the success of the just concluded financial year and look forward to being continued cordial relations.



Dr. Richard Moindi

Council Chair

Date: June 30, 2025

6. Report of the Principal

Njoro Technical Training Institute
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I am pleased to present the annual report and financial statements for the NJORO Technical Training Institute as at 30th June 2024. The institution continues to grow and endeavours to offer high quality technical training, carry out innovative research and community outreach programs for sustainable socio-economic development. This also enables the institution to contribute towards the attainment of our country's Vision 2030 blue print and support the drive in realizing the objectives of the National Government's 'BETA' agenda. In furtherance of our mandate therefore, we have committed ourselves to consistently review, improve and consolidate our academic programs under the CBET curriculum to ensure their competitiveness in terms of quality and relevance.

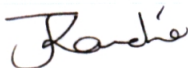
During the financial year, the institution implemented activities towards achievement of the Strategic Plan. Resources were directed to marketing activities to increase trainee enrolment, infrastructural projects, and training, research and ICT activities. Some of the key priority areas implemented in the financial year under review are;

1. Purchase of training equipment
2. Participation in Regional KATTI sports 2024
3. Marketing in Njoro constituency and other constituencies.
4. Participation in research and innovations through National TVET Fairs and Robotics 2024.

During the year under review institution experienced challenges attributed to the general price increase in goods and services, reduction in capitation funding for trainees under the old funding model and resource intensive dual programme for the CBET courses requiring more practical hours while fees charged was subsidized with Government Capitation.

I also take this opportunity to thank the National Government for its unequivocal support during the year under review. I also appreciate the financial, material and moral Support of our collaborators, partners and well-wishers during the period. It is because of the co-operation with the National Government through the Ministry of Education, the Board of Governors as well as the mutual cooperation of the Management team, all staff, our students and other stake holders that we ended the year with stability.

NJORO TTI desires to enhance its visibility, performance and competitiveness in the Tertiary Education Sector in the face of stiff competition. To do so however, the Institution requires a lot of support from the Government and stake holders. We shall continue to appeal for such support for several years to come.



Dr Sheila Kandie
Principal
Date: June 30th 2025

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7. Statement of Performance against Predetermined Objectives

NJORO TTI has five strategic pillars and objectives within its Strategic Plan for the FY 20232024
These strategic pillars are as follows:

Pillars	Details			
Pillar 1	Training			
Pillar 2	Infrastructure			
Pillar 3	Governance an management			
Pillar 4	ICT			
Pillar 5	Finance			

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8. Corporate Governance Statement

APPOINTMENT OF BOARD

The appointment and removal of the board is prescribed under the TVET Act, 2013. The appointing authority takes into consideration skills mix in selection to ensure persons with key specialization are included such as ICT, Finance, Technical areas etc. it also factors in gender and ethnic representation as per the Constitution.

The Board attended induction training organized by the Institute in 7th to 9th Feb 2024 and was attended by all members led by the Chairperson.

INDUCTION AND TRAINING OF THE BOARD

During the year in review, the Board attended three-day training on leadership and governance conducted by the State Department of Vocational and Technical Training from **7th February 2024**.

CORPORATE GOVERNANCE

During the year under review, Members of the Board committed themselves to the service of Njoro Technical and Training Institute and upheld the tenets of good corporate Governance by being transparent, accountable, persons of integrity, socially responsive, promoted excellence and exercised fairness in all dealings.

The Board of Njoro Technical Training Institute consists of **9** members.

SNO	NAME	TITLE
1.	Dr Richard Moindi	Board Chair
2.	Dr Julius Rotich	Member
3.	Eng Job k Tomno	member
4.	Eng Esther Rutto	Member
5.	Jepi Lentoijoni	Member
6.	Ms Maureen Nyabochoa	Member
7.	Ms Winfred Munyaka	member
8.	Mr James Muchiri	member
9.	Dr Sheila Kandie	Principal/ Board Secretary

Code of conduct/ responsibilities of board members

Njoro TTI BOARD relies on the prescription of the TVET Act, 2013 and Mwongozo on the description of its responsibilities, functions and structure and ethical conduct. They have focommittees that help in directing operations and advising the Board on deliberations they have reached. In the year under review, the Board had three committees with their responsibilities clearly stipulated;

- I. Finance, Infrastructure and General Purpose
- II. Education, Research and Training
- III. Audit and Risk

Conflict of interest

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The secretary to the board maintains and updates Declaration of conflict for all board meetings. There was no conflict of interest during the Meetings held by the Board in the financial year under review.

Board remuneration

The Board members are entitled to sitting allowance as prescribed in the Njoro Technical and Training Institute minutes guided by circular from the CS- Ministry of Education.

Succession plan

The current Board does not have a succession plan as members appointed were given the same time of tenure. The Institute is in discussion with the parent ministry to stagger appointment of the Board members.

Board meeting attendance

The board held one meeting. The same applies to Board Committees in the year under review.

ROLE AND FUNCTIONS OF THE BOARD OF GOVERNORS.

During the year in review the Board held a total of 4 meetings. The meetings consisted one scheduled meeting every quarter. Each Board subcommittee held 4 meetings (one each quarter) and attendance was very good in all meetings.

The following are functions of the Board of Governors as stipulated in the TVET Act 2013 Section 29

- a) Overseeing the conduct of education and training in the institution in accordance to the Act and other written laws
- b) Promoting and maintaining standards, quality and relevance in education and training in the institution
- c) Administering and managing the property of the institution
- d) Developing and implementing the institutions' strategic plan
- e) Preparing annual estimates of revenue and expenditure for the institution incurring expenditure on behalf of the institution,
- f) Receiving on behalf of the institution, fees, grants, subscriptions donations, bequests or other monies and make disbursements to the institution or other bodies or persons
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act.
- h) Mobilizing resources for the institution
- i) Developing and reviewing programmes for training and to make representations thereon to the TVETA Board
- j) Regulating the admission and exclusion of students from the institution, subject to a qualification framework and the provisions of the TVET Act
- k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by TVETA board
- l) Determining terms and conditions of support staff, trainers and instructors and remunerating the staff of the institution in consultation with TVETA
- m) Making regulations governing organization, conduct and discipline of staff and students.

Njoro Technical Training Institute

Report and Financial Statements for the 18 Months ended 30th June 2024

- n) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submitting the same to TVET Board
- o) Providing for welfare of students and staff of the institution
- p) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in institution
- q) Discharging all functions conferred upon it by the Act or any other written Law.

9. Management Discussion and Analysis

The college closed the year with a surplus of **Kshs. 6,853,833.**

Compliance with statutory requirements.

The college has complied with all statutory requirements. It has been issued with registration certificates and NHIF membership and is tax compliant. During the year under review the college made prompt remittance to all statutory bodies.

Major risk facing the college.

In the financial year under review the college faced few challenges in service delivery to the students,

- i. Late disbursement of student's scholarship leading to delayed service delivery and meeting the financial obligation
- ii. Due to the increasing number of Students College facilities are overstretched in capacity and hence Government is requested to support in funding construction of more facilities.
- iii. Delayed disbursement of student's loans has impacted negatively on fees collections and therefore huge arrears. This led to college closing the financial year with sundry debtors from students' fees of **Kshs. 11,106,868.**

10. Environmental And Sustainability Reporting Statement

1. Sustainability strategy and profile

The Board of Governors intends to undertake other income generating activities such as farming to generate more income and also put in place strategies to minimize the costs of college operations.

2. Environmental performance

During the year under review, the College in collaboration with the ABSA bank organised a successful tree planting activity. The aim was to educate the trainees on importance of environmental conservation.

3. Employee welfare

The institution has set up staff welfare to be able to support staff members and also by monthly payments of staff NHIF deductions to the relevant body. The college also intends to carry out occupational health and safety Audit of college workplace to ensure staff safety in workplace.

4. Market place practices

The college always meets its financial obligations on time by timely payment of suppliers and honouring contracts, practicing good competitions in terms of marketing of college programmes with its competitors.

5. Community Engagements

The Institution continue to work very closely with the community.

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Report and Financial Statements for the 18 Months ended 30th June 2024

11. Report of the Council/Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the college affairs.

Principal activities

The principal activities of the entity is to offer high quality Technical Training, carry out innovative research and community outreach programmes for sustainable socio-economic development.

Results

The results of the entity for the year ended June 30 are set out on page 1 to 5 of the financial statement

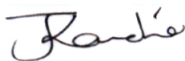
Board of Governors

The members of the of council RVPN (mentor institution) who served during the year are shown on page viii to xii. During the year 2023/2024 no director retired or resigned.

Auditors

The Auditor General is responsible for the statutory audit of the NJORO TECHNICAL TRAINING INSTITUTE by Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or any Certified Public Accountants nominated by the Auditor General to carry out the audit of the NJORO TECHNICAL TRAINING INSTITUTE for the year ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary of the Board

Date: June 30 2025

Njoro Technical Training Institute
Report and Financial Statements for the 18 Months ended 30th June 2024

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

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

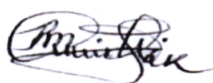
The board members are responsible for (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of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

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

Nothing has come to the attention of the Board members 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 Institutes financial statements were approved by the Board on **September 22, 2024** and signed on its behalf by:



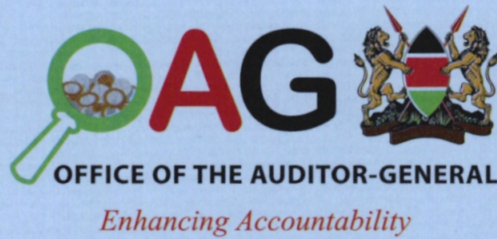
.....
Name: Dr Richard Moindi
Chairperson of the Board
Date: June 30 2025



.....
Name: Dr Sheila Kandie
Accounting Officer/Principal
Date: June 30 2025

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



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

REPORT OF THE AUDITOR-GENERAL ON NJORO TECHNICAL AND TRAINING INSTITUTE FOR THE EIGHTEEN (18) MONTHS PERIOD ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Njoro Technical Training Institute set out on pages 26 to 72, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other

Report of the Auditor-General on Njoro Technical Training Institute for the Eighteen (18) Months period ended 30 June, 2024

explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position Njoro Technical Training Institute as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Unconfirmed Opening Balances

Review of the Institute's financial statements revealed that the statement of financial position, statement of changes in net assets and statement of cash flows and some Notes to the financial statements reflect opening balances brought forward from the financial year 2022/2023. However, the opening balances could not be confirmed since there are no audited financial statements for the year ended 30 June, 2023.

In the circumstances, the accuracy of opening balances brought forward from the financial year 2022/2023 could not be confirmed.

2. Inaccuracies in the Financial Statements

Review of the Institute's financial statements revealed that there were variances between the statement of cashflows and the corresponding Notes to the financial statements for various components as detailed in the table below;

Expenditure Components	Note	Amount in the Statement of Cash Flows (Kshs.)	Amount in the Notes to the Financial Statements (Kshs.)	Variance (Kshs)
Rendering of Services - Fees from students	10	10,680,877	20,103,345	9,422,468
Use of goods and services	15	10,887,039	12,230,802	1,343,763
Property, plant and Equipment - Additions	32	6,577,948	7,227,888	649,940

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

3. Undisclosed Inventories Balance

The statement of financial position reflects a Nil balance in respect of inventories as disclosed in Note 29 to the financial statements. However, an audit verification carried out in the month of May, 2025 and available records revealed that there were items in the Institute's stores as at 30 June, 2024 which were not disclosed in the financial statements. Further, an expenditure totalling Kshs.3,241,443 was incurred, during the year under review, in respect of training materials and equipment, supply of toners and assets which were not received in the stores records vide the store ledger cards (S3) and counter receipt voucher (S13). In addition, the stock taking report at the end of the financial year 2023/2024 was also not provided for audit verification.

In the circumstances, the accuracy and completeness of the inventories balance could not be confirmed.

4. Unsupported Board Expenses

The statement of financial performance reflects Board expenses amounting to Kshs.408,000 which as disclosed in Note 17 to the financial statements relates to Director's emoluments. However, the Board expenses were not supported with the approved budget, requisition forms detailing the activities the Board members engaged in during the period, the minutes of the Board meetings or the report of its activities and the attendance lists of the Board members.

In the circumstances, the accuracy and completeness of the Board expenses amount of Kshs.408,000 could not be confirmed.

5. Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalent balance of Kshs.501,194 in respect of cash and cash equivalents balance as disclosed in Note 26 to the financial statements. However, Management did not prepare and provide the monthly bank reconciliation statements for the Institute's two bank accounts as required. This is contrary to Regulation 90(1) the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.501,194 could not be confirmed.

6. Unsupported Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.60,932,048 as disclosed in Note 32 to the financial statements. However, the balance was not supported with a fixed assets register and a valuation report, confirming ownership and the respective cost or values of the assets. Further, the value of the land on which the Institute is situated was not disclosed in the financial statements and the ownership documents were not provided for audit verification.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.60,932,048 could not be confirmed.

7. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.2,359,863 as disclosed in Note 36 to the financial statements. The balance includes amounts of Kshs.1,363,763 and Kshs.996,100 in respect of trade payables and third party payments. However, review of the supporting schedules provided for audit review revealed a balance of Kshs.1,363,763 resulting to unexplained and unreconciled variance of Kshs.996,100. Further, the supporting documents including a schedule in support of the third-party payments amount of Kshs.996,100 were not provided for audit review.

In the circumstances, the accuracy and completeness of the trade and other payables from exchange transactions balance of Kshs.1,063,535 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.25,516,150 and actual on a comparable basis amount of Kshs.23,113,981 resulting to an under-funding of Kshs.2,402,169 or 9% of the budget. Further, the statement reflects that the Institute spent an amount of Kshs.16,260,149 against actual receipts of Kshs.23,113,981 resulting to under-absorption of Kshs.6,853,832 or 30% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information set out on page 5 to 24 which comprise of Key Entity Information and Management, Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Governors and Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of an Approved Budget

The statement of comparison of budget and actual amounts reflects budgeted revenue and expenditure amounts of Kshs.25,516,150 respectively. However, the balances were not supported by an approved budget. This was contrary to Regulation 31(1) of the Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer shall ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and the Regulations. Further, Sub-section 2 (a) and (e) states that the Accounting Officer is responsible, in particular for ensuring that - all services which can be reasonably foreseen are included in the estimates and that they are within the capacity of her or his National Government entity during the financial year; and the estimates are submitted to the National Treasury in the manner and format to be issued by the Cabinet Secretary.

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

2. Lack of Procurement Plan

During the year under review, Management did not prepare an annual procurement plan as part of the annual budget preparation process and to guide on the procurements to be carried out by the Institute. This was contrary to Regulation 40 (1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

3. Non-Compliance with Procurement Laws and Regulations

The statement of financial performance reflects use of goods and services amount of Kshs.12,230,802 and as disclosed in Note 15 to the financial statements. However, review of records revealed the following procurement anomalies;

3.1 Irregular Procurements of Goods and Services

Review of a sample of payments vouchers amounting to Kshs.1,315,886 revealed that there were no procurement procedures and processes used in identifying the suppliers to supply the goods and services. This was contrary to Section 57 (1) of the Public Procurement and Assets Disposal Act, 2015 which states that, the head of the procurement function of a procuring entity shall maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs.

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

3.2 Unsupported Expenditure on Use of Goods and Services

Review of sampled payment vouchers revealed that expenditure amounting to Kshs.1,294,009 did not have supporting documents including requisitions from the user departments, appointment of adhoc committees, tender opening minutes, evaluation of tender minutes and inspection and acceptance committee reports and minutes. Further, review of the payments made to various suppliers revealed non-compliance with the procurement laws and regulations including direct procurement, single sourcing, payments to non-prequalified suppliers and payments not supported with procurement documents contrary to Regulation 115 (1) of the Public Finance Management (National Government) Regulations, 2015 which requires that all purchases of goods, works and services from suppliers, including capital investments, shall comply with the provisions prescribed in the Public Procurement and Disposals Act, 2015, and the Regulations made thereunder and shall have the prior approval of the Accounting Officer.

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

3.3 Failure to Prepare Local Purchase Orders

Review of sampled payment vouchers with a total expenditure of Kshs.2,239,906 revealed that they were not supported with local purchase orders (LPOs). This was contrary to Regulation 166 (1) of the Public Procurement and Assets Disposal Act, 2020 which requires that an Accounting Officer of a procuring entity shall only receive works, goods or services pursuant to Section 159 of the Act based on a purchase order, service order or signed contract and ensure that annual consolidated inventory of assets is maintained in the format specified in the Twelfth Schedule.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Failure to Develop Human Resource Policy

During the year under review the Institute did not have in place an approved human resource policies and procedures manual to guide on minimum qualification or experience of staff, training and continuous development of employees and skills retention and monitoring of their competency. This is contrary to Section B.2 (1) of the Human Resource policies 2016 states that every Ministry/State Department shall prepare Human Resource Plans to support achievement of goals and objectives in their Strategic plans. The plans shall be based on comprehensive job analysis and shall be reviewed every year to address emerging issues and needs.

In the circumstances, the Institute may not be able to determine if it is operating with an optimal number of employees to ensure effective service delivery to the public.

2. Lack of Approved Information Communication and Technology (ICT) Security Policy

Review of the Information Technology (IT) environment revealed that the Institute did not have an approved IT Policy for governance and management of its ICT resources. Further, there was no ICT Steering Committee in place to assist in the development of ICT Policy framework to enable the Institute to realize long-term ICT strategic goals. Lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the Institute's ICT assets. In addition, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, the Institute may be exposed to financial or data losses and/or falsification of records in the absence of information communication and technology policy.

3. Lack of Risk Management Policy

During the year under review the Institute had not established a risk management policy. This is contrary to Regulation 165(1) (a) and (b) of the Public Finance Management (National Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, Management may not be able to identify risks facing the Institute and develop mitigating strategies.

4. Lack of Internal Audit Function and Audit Committee

During the year under review, the Institute had not constituted an audit committee and an internal audit function as required by the law and regulations. This is contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012 which states that every National Government entity shall ensure that it complies with this Act and - has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, Regulation 174 (1) of the Public Finance Management (National Government) Regulations, 2015 states that subject to paragraph (2) of this regulation, each National Government entity shall establish an audit committee.

In the circumstances, the Institute did not benefit from the oversight functions of the internal audit department and the audit committee.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Institute or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 July, 2025

Njoro Technical Training Institute
Report and Financial Statements for the 18 Months ended 30th June 2024

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

	Note s	June 2024	Dec 2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	3,010,636	-
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		-	-
Revenue from Exchange transactions			
Rendering of services- fees from students	10	20,103,345	-
Sale of goods	11	-	-
Rental revenue from facilities and equipment	12	-	-
Finance income	13	-	-
Miscellaneous income	14	-	-
Revenue from Exchange transactions		20,103,345	-
Total Revenue		23,113,981	-
Expenses			
Use of goods and services	15	12,230,802	-
Employee costs	16	1,925,660	-
Board Expenses	17	408,000	-
Depreciation and amortization expense	18	1,619,287	-
Repairs and maintenance	19	76,400	-
Contracted services	20	-	-
Grants and subsidies	21	-	-
Finance costs	22	-	-
Total Expenses		16,260,149	-
Other Gains/(Losses)			
Gain on sale of assets	23	-	-
Gain/ Loss on fair value of investments	24	-	-
Impairment loss	25	(-)	(-)
Total Other Gains/(Losses)		-	-
Net surplus/(deficit) for the year		6,853,833	-

Njoro Technical Training Institute
Report and Financial Statements for the 18 Months ended 30th June 2024

The Financial Statements set out on pages 8 to 59 were signed by:



.....
Chairman of Board

.....
Principal

Finance Officer

ICPAK No

Assoc / 2583

Date

30/06/2025

Date

30/06/2025

Date

30/06/2025.

Njoro Technical Training Institute
Report and Financial Statements for the 18 Months ended 30th June 2024

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

Description	Notes	June 2024	Dec 2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	501,194	4,598,484
Current portion of receivables from exchange transactions	27(a)	11,106,868	-
Receivables from non-exchange transactions	28	-	-
Inventories	29	-	-
Investments in financial assets	30	-	-
Prepayments	31	-	-
Total Current Assets		11,608,063	-
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	-	-
Investments	30	-	-
Property, plant, and equipment	32	60,932,048	55,323,446
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-Current Assets		60,932,048	55,323,446
Total Assets (A)		72,540,110	59,921,930
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36	2,359,863	-
Refundable deposits from customers	37	-	-
Current provisions	38	-	-
Finance lease obligation	39	-	-
Deferred income	40	-	-
Employee benefit obligation	41	-	-
Payments received in advance	42	-	-
Current portion of borrowings	43	2,754,544	-
Social Benefits	46	-	-
Total Current Liabilities		5,114,407	-

Njoro Technical Training Institute
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Non-Current Liabilities			
Finance lease obligation	39	-	-
Deferred income	40	-	-
Non-Current Employee Benefit Obligation	41	-	-
Non- Current Borrowings	43	-	-
Non-Current Provisions	44	-	-
Service Concession Liability	45	-	-
Social benefits	46	-	-
Total non- current liabilities		-	-
Total Liabilities (B)		5,114,407	-
Net Assets (A-B)		67,425,703	-
Represented By:			
Revaluation Reserves		-	-
Accumulated Surplus		7,118,568	264,735
Capital Fund		60,307,135	59,657,195
Net Assets		67,425,703	59,921,930

The Financial Statements set out on pages 5 to 59 were signed by:



.....
Chairman of Board

Date

30/06/2025



.....
Principal

Date

30/06/2025



Finance Officer

ICPAK No ASSOC/2583

Date

30/06/2025

Njoro Technical Training Institute
Report and Financial Statements for the 18 Months ended 30th June 2024

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	264,735	-	264,735
Capital grants received during the year	-	-	59,657,195	59,657,195
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	(-)	-
At Dec 2022	-	264,735	59,657,195	59,921,930
At January 1, 2023	-	264,735	59,657,195	59,921,930
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	6,853,833	-	6,853,833
Capital grants received during the year	-	-	649,940	649,940
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	(-)	-
At June 30, 2024	-	7,118,568	60,307,135	67,425,703

Note

- Prior adjustments to incorporate the balance from bank and the cost of construction of administration block at cost of Ksh 59,627,195 of which Kshs 55,323,446 had been paid and a balance 4,333,749 paid in the financial year under review.*

Njoro Technical Training Institute
Report and Financial Statements for the 18 Months ended 30th June 2024

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

Description	Note	June 2024	Dec 2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		3,010,636	-
Grants from donors and development partners		-	-
Transfers from other levels of government		-	-
Public contributions and donations		-	-
Rendering of services- fees from students		10,680,877	-
Sale of goods		-	-
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Miscellaneous income		-	-
Total Receipts		13,691,513	-
Payments			
Use of goods and services		10,887,039	-
Employee costs		1,925,660	-
Board Expenses		408,000	-
Repairs and maintenance		56,400	-
Exams and salary advance expenses		688,300	-
Grants and subsidies		-	-
Total Payments		13,965,399	-
Net Cash Flows from operating activities	47	-273,886	-
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-6,577,948	(-)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		-6,577,948	(-)
Cash flows from financing activities			
Proceeds From Borrowing		2,754,544	-
Repayment Of Borrowings		(-)	(-)
Net cash flows used in financing activities		2,754,544	(-)
Net Increase/Decrease) in Cash and Cash equivalents		-4,097,290	(-)
Cash and Cash equivalents at 1 st January 2023	26	4,598,484	4,598,484
Cash and Cash equivalents at 30 June 2024	26	501,194	-

Njoro Technical Training Institute
Report and Financial Statements for the 18 Months ended 30th June 2024

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 20XX

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilisation Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities Govt grants	2,000,000		2,000,000	3,010,636	- 1,010,636	151
Public contributions and donations	-	-	-	-	-	
Rendering of services- Fees from students	23,516,150		23,516,150	20,103,345	3,412,805	85
Sale of goods	-	-	-	-	-	
Finance Income	-	-	-	-	-	
Other Income	-	-	-	-	-	
Gains on disposal, rental income and agency fees	-	-	-	-	-	
Total income	25,516,150	-	25,516,150	23,113,981	2,402,169	91
Expenses			-		-	
Compensation of employees	2,500,000		2,500,000	1,925,660	574,340	77
Use of Goods and services	20,156,150		20,156,150	12,230,802	7,925,348	61
Finance costs			-	-	-	
Repair and Maintenance	600,000		600,000	76,400	523,600	13
Remuneration of directors	560,000		560,000	408,000	152,000	73
other expenses(depreciation)	1,700,000	-	1,700,000	1,619,287	80,714	95
Grants and subsidies paid	-	-	-	-	-	
Total expenditure	25,516,150	-	25,516,150	16,260,149	9,256,002	64
Surplus for the period	-	-	-	6,853,833	- 6,853,833	-

Njoro Technical Training Institute
Report and Financial Statements for the 18 Months ended 30th June 2024

(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.*

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the institutes accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes to the financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the institute. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act 2015, the State Corporations Act, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There are no new standards in the year ended 30th June 2024

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:

	<ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

Njoro TTI did not early adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Board and no Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **xx** under section - of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per first schedule of the income tax Act Cap 470.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an **xx**-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

Fixed assets are stated at cost or valuation, less accumulated depreciation. Depreciation is calculated on **reducing balance method**, at annual rates estimated to carrying values of the assets over expected useful lives. Assets are subject to a full year's depreciation at the following rates;

S.No	Details	Depreciation rate %
1.	Buildings and Structures	2.5%
2.	Plant, machinery & Equipment	20%
3.	Motor vehicles, including motorcycles	25%
4.	Computers and related equipment	33.3%
5.	Library books	33.3%
6.	Office equipment, furniture, and fittings	12.5%
7.	Buildings and Structures	2.5%

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The institute does not have any hedge relationships and therefore the new hedge accounting rules have no impact on its financial statements.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

m) Nature and purpose of reserves

The Institute creates and maintains reserves in terms of specific requirements as follows i) capital reserves used to record contributions made by the Government in the form of Grants for development. ii) Revaluation reserves used to record revalued amounts on plant and equipment.

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

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

r) Related parties

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

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

s) Service concession arrangements

The 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 *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the institute 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

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

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

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6. Transfers from other National Government entities

Description	June 2024	Dec 2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	-	-
Operational Grant	3,010,636	-
Development grants	-	-
Other Grants	-	-
Total unconditional Grants	-	-
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	3,010,636	-

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	3,010,636	-	-	3,010,636	-
Ministry	-	-	-	-	-
Total	3,010,636	-	-	3,010,636	-

The details of the reconciliation have been included under appendix

7. Grants from Donors and Development Partners

Description	June 2024	Dec 2022
	Kshs	Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants (specify)	-	-
Total Grants from Development Partners	-	-

(a) Reconciliations of grants from donors and development partners

Description	June 2024	Dec 2022
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Yet To Be Met - Remain Liabilities	-	-

8. Transfers from Other Levels of Government

Description	June 2024	Dec 2022
	Kshs	Kshs
Transfer from County XX	-	-
Transfer from XX University	-	-
Transfer from XX Institute	-	-
Total Transfers	-	-

9. Public Contributions and Donations

Description	June 2024	Dec 2022
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

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10. Rendering of Services

Description	June 2024	Dec 2022
	Kshs	Kshs
S.E.S Tuition	11,293,355	-
Personal Emoluments	3,233,115	-
Electricity Water And Conservancy	853,785	-
Local Transport And Travell	1,082,835	-
Repairs And Maintenance	927,065	-
Activity	1,034,290	-
Medical Insurance	455,900	-
Registration	556,000	-
Student Id	152,000	
Student Union	237,500	
Industrial Attachment	22,800	
Contingencies	254,700	
Total Revenue from The Rendering of Services	20,103,345	-

11. Sale of Goods

Description	June 2024	Dec 2022
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	-	-
Cafeteria sales	-	-
Other sales (specify)	-	-
Total Revenue from Sale of Goods	-	-

12. Rental revenue from facilities and equipment

Description	June 2024	Dec 2022
	Kshs	Kshs
Hire of Facilities and Equipment	-	-
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Others	-	-
Total	-	-

13. Finance Income

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Description	June 2024	Dec 2022
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Others	-	-
Total finance income	-	-

14. Miscellaneous Income

Description	June 2024	Dec 2022
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Bad debts recovered	-	-
Income written back	-	-
Others	-	-
Total other income	-	-

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15. Use of Goods and Services

Description	June 2024	Dec 2022
	Kshs	Kshs
Purchase Of Stationeries	356,884	-
Purchase Of Cleaning Materials	-	-
Printing Services	-	-
Advertising And Publicity	143,000	-
Staff Capacity Building And Training	-	-
Purchase Of Reference And Training Books And Materials	-	-
Training Materials And Equipments	8,793,611	-
KATTI Regional TVET Fairs And Subscriptions	190,808	-
Purchase Of Kitchen Ware And Equipments	-	-
Purchase Of Staff Uniforms	-	-
Internet Services S	-	-
Purchase Of Office Equipmemnts	-	-
Airtime And Postages Expenses	-	-
Administration Costs	1,046,285	-
Bank Charges	14,645	-
Electricity Expenses	214,888	-
Water Expenses	-	-
Staff Subsistence And Allowances	1,207,000	-
Building And Grounds Maintainance	-	-
Games Participation Fees	211,211	-
		-
Processing Of Log Books And Insurance Covers	29,070	-
Students ID	23,400	-
Total good and services	12,230,802	-

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16. Employee Costs

Description	June 2024	Dec 2022
	Kshs	Kshs
Salaries and wages	1,925,660	-
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	-	-
Employee Costs	1,925,660	-

17. Board Expenses

Description	June 2024	Dec 2022
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	408,000	-
Other Allowances	-	-
Other Board/Council Expenses	-	-
Total	408,000	-

18. Depreciation and Amortization expense

Description	June 2024	Dec 2022
	Kshs	Kshs
Property, plant and equipment	1,619,287	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	1,619,287	-

19. Repairs and Maintenance

Description	v	Insert Comparative FY
	Kshs	Kshs
Property	76,400	-
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Total Repairs and Maintenance	76,400	-

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20. Contracted Services

Description	June 2024	Dec 2022
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
Total contracted services	-	-

21. Grants and Subsidies

Description	June 2024	Dec 2022
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (<i>specify</i>)	-	-
Total Grants and Subsidies	-	-

22. Finance Costs

Description	June 2024	Dec 2022
	Kshs	Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Others (specify)	-	-
Total Finance Costs	-	-

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23. Gain On Sale of Assets

Description	June 2024	Dec 2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

24. Gain/(loss) on Fair Value Investments

Description	June 2024	Dec 2022
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

25. Impairment Loss

Description	June 2024	Dec 2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

26. Cash and Cash Equivalentents

Description	June 2024	Dec 2022
	Kshs	Kshs
Current Account	501,194	4,598,484
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalentents	501,194	4,598,484

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

Financial Institution	Account number	June 2024	Dec 2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank- Njoro Branch	1320655548	452,195	-
Kenya Commercial Bank – Eldoret Branch	1260436696	48,999	4,598,484
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
Sub- Total		-	-
c) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
e) Others(Specify)			
Cash in Transit		-	-
Cash in Hand		-	-
Mobile Money account		-	-
Sub- Total		-	-
Grand Total		501,194	4,598,484

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	June 2024	Dec 2022
	Kshs	Kshs
Current Receivables		
Student Debtors	11,106,868	-
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	(-)	(-)
Total Current Receivables	11,106,868	-

27 (b) Long- term Receivables from Exchange transactions

Description	June 2024	Dec 2022
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	(-)	(-)
Total	-	-
Current Portion Transferred To Current Receivables	(-)	(-)
Total Non-Current Receivables	-	-
Total Receivables	-	-

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	June 2024		Dec 2022	
	Kshs	% of the total	Kshs	% of the total
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	11,106,868	100	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	11,106,868	100	-	%

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

Description	June 2024	Dec 2022
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	(-)	(-)
Write offs during the year	(-)	(-)
At the end of the year	-	-

28. Receivables from Non-Exchange transactions

Description	June 2024	Dec 2022
	Kshs	Kshs
Current Receivables		
Capitation Grants*	-	-
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	(-)	(-)
Total Current Receivables	-	-

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

Description	June 2024		Dec 2022	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

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

Description	June 2024	Dec 2022
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	(-)	(-)
Written off during the year	(-)	(-)
At the end of the year	-	-

29. Inventories

Description	June 2024	Dec 2022
	Kshs	Kshs
Consumable stores	-	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	-	-

30. Investments in financial assets

Description	June 2024	Dec 2022
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (Specify)		
Equity/ Shares in Company -	-	-
Sub- Total	-	-
Grand Total	-	-

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	Insert Current FY	Insert Comparative FY
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

31. Prepayments

Description	Insert Current FY	Insert comparative FY
	Kshs.	Kshs.
Prepaid Rent	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (Specify)	-	-
Total	-	-

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32. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Reference books	Plant and equipments	Work In administration block	Work In Progress abolition block	Total
Depreciation rate		0.025	0.25	0.125	0.333	0.25	0.125			
Cost		Shs	Shs	Shs	Shs	Shs	Shs		Shs	Shs
At 1st January 2023	-		-	-	-	-	-	55,323,446	-	55,323,446
Additions		649,940		432,449	94,000		210,000	4,333,749	1,507,750	7,227,888
Disposals										-
Transfers/adjustments		59,657,195						- 59,657,195		-
At 30th June 2024	-	60,307,135	-	432,449	94,000	-	210,000	-	1,507,750	62,551,334
Additions										-
Disposals										-
Transfer/adjustments										-
At 30th June 2024	-	60,307,135	-	432,449	94,000	-	210,000	-	1,507,750	62,551,334
Depreciation and impairment										-
At 1 July 2023										-
Depreciation		-	-	-	-	-	-	-	-	-
Impairment										-
At 30 June 2023	-	-	-	-	-	-	-	-	-	-
Depreciation		1,507,678.38	-	54,056.13	31,302.00	-	26,250.00		-	1,619,287
Disposals										-
Impairment										-
Transfer/adjustment										-
At 30th June 2024	-	1,507,678	-	54,056	31,302	-	26,250	-	-	1,619,287
Net book values	-	58,799,457	-	378,393	62,698	-	183,750	-	1,507,750	60,932,048
At 31st December 2022	-	-	-	-	-	-	-	-	-	-

Note:

1. Work in progress -Construction of an Abolition block 94.5% complete.
2. Construction of Administration building was completed and transferred to the building for depreciation adjustments.

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Notes to the Financial Statements (Continued)

Valuation

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

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulate d Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	60,307,135	1507678	58,799,457
Plant And Machinery	210,000	26,250	183,750
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	94,000	31,302	62,698
Office Equipment, Furniture, And Fittings	432,449	54,056	378,393
Work in Progress – Construction of Abolition block	1,507,750		1,507,750
Total	62,551,334	1619,287	60,932,048

33. Intangible Assets

Description	June 2024	Dec 2022
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Additions–internal development	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-

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NBV	-	-
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34. Investment Property

Description	June 2024	Dec 2022
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	(-)	(-)
Depreciation	(-)	(-)
Impairment	(-)	(-)
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

35. Biological Assets

	June 2024	Dec 2022
	Kshs	Kshs
Cattle	-	-
Trees	-	-
Others (Specify)	-	-
Total	-	-

36. Trade and Other Payables

Description	June 2024		Dec 2022	
	Kshs		Kshs	
Trade payables	1,363,763		-	
Fees paid in advance	-		-	
Salary deductions	-		-	
Third-Party Payments	996,100		-	
Other Payables	-		-	
Total Trade and Other Payables	2,359,863		-	
	Current	% of	Comparative	% of
Ageing analysis:	FY	the	FY	the
		Tota		Tota
		l		l
Under one year	2,359,863	100	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	2,359,863	100	-	-

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37. Refundable Deposits from Customers/Students

Description	June 2024		Dec 2022	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	-		-	
Other refundable deposits	-		-	
Total Deposits	-		-	
	Current FY	% of the Total	Comparative FY	% of the Total
Ageing analysis:				
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (to tie to totals deposits above)	-	%	-	%

38. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	-	-	-	xx	-
Additional Provisions	-	-	-	xx	-
Provision Utilised	(-)	(-)	(-)	(-)	(-)
Change Due To Discount And Time Value For Money	(-)	(-)	(-)	(-)	(-)
Transfers From Non -Current Provisions	-	-	-	xx	-
Total Provisions	-	-	-	xx	-

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39. Finance Lease Obligation

Description	June 2024	Dec 2022
	Kshs	Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	(-)	(-)
At end of the year	-	-

Maturity Analysis

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

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

40. Deferred Income

Description	June 2024	Dec 2022
	Kshs	Kshs
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

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The deferred income movement is as follows:

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

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	June 2024	Dec 2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

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Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from July 1, 20xx. The scheme is administered by - while - are the custodians of the scheme. The scheme is based on - percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at - June - by - actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

Description	June 2024	Dec 2022
	Kshs	Kshs
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (Post- Retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

Recognition of Retirement Benefit Asset/ Liability

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

Description	June 2024	Dec 2022
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (<i>specify</i>)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

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b) Amounts recognised in the Statement of Financial Position

Description	June 2024	Dec 2022
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	(-)	(-)
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others (<i>specify</i>)	-	-
Net asset or liability arising from defined benefit obligation	-	-

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. - per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by - Pension Fund. Employees contribute xx% while employers contribute xx% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

42. Payments received in advance.

Description	June 2024		Dec 2022	
	Kshs		Kshs	
Fees received in advance	-		-	
Others (Specify)	-		-	
Total	-		-	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

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43. Borrowings

Description	June 2024	Dec 2022
	Kshs	Kshs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	(-)	(-)
Repayments of domestic borrowings during the year	(-)	(-)
Balance at end of the year	-	-

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43 a) Analysis of External and Domestic Borrowings

Description	June 2024	Dec 2022
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	-	-
Sterling pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from 'zzz organization'	-	-
Domestic borrowings		
Kenya shilling loan	-	-
Total balance at end of the year	-	-

43 b) Breakdown of Long and Short-Term Borrowings

Description	June 2024	Dec 2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	2,754,544	-
Long Term Borrowings	-	-
Total	2,754,544	-

44. Non-Current Provisions

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

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45. Service Concession Arrangements

Description	June 2024	Dec 2022
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	(-)	-
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
Service concession liability at end of the year	=	=

46. Social Benefit Liabilities

Description	June 2024	Dec 2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

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47. Cash generated from operations.

	June 2024	Dec 2022
	Kshs	Kshs
Surplus for the year before tax	6,853,833	
Adjusted for:		
Depreciation	1,619,287	-
Non-Cash grants received	(-)	(-)
Contributed assets	(-)	(-)
Impairment	-	-
Gains and Losses on Disposal of Assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	(-)	(-)
Finance Cost	-	-
Working Capital Adjustments		
Increase in Inventory	(-)	(-)
Increase in Receivables	(11,106,868)	(-)
Increase in Deferred Income	-	-
Increase in Payables	2,359,863	-
Increase in Payments received in advance	-	-
Net Cash Flow from Operating Activities	(273,886)	-

48. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The entity 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 entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 31st Dec 2022				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Receivables from exchange transactions	11,106,868	11,106,868	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	11,106,868	11,106,868	-	-

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Financial risk management (continued)

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

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 31 Dec 2022				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Trade Payables	-	-	2,359,863	2,359,863
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	2,359,863	2,359,863

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(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

Foreign currency sensitivity analysis

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (2024 Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2024 - Kshs -)

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iv) Capital Risk Management

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

Description	June 2024	Dec 2022
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	(-)	(-)
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	xx%	xx%

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49. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity include those parties who have the 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 *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government,
- ii) The Parent Ministry
- iii) Key management
- iv) Board of Governors
- v) County government
- vi) Njoro constituency CDF

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

Description	June 2024	Dec 2022
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others	-	-
Total	-	-
B) Purchases from related parties		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others	-	-
Total	-	-
b) Grants /Transfers from the Government		
Grants from National Govt	3,010,636	-
Grants from County Government	-	-
Donations in Kind	-	-
Total	3,010,636	-
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees	1,925,660	-
Payments for Goods and Services	-	-
Total	1,925,660	

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d) Key Management Compensation		
Directors' emoluments	408,000	-
Compensation to Key Management	-	-
Total	408,000	-

50. Segment Information

The institute have one office which is the main office.

51. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	June 2024	Dec 2022
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	June 2024	Dec 2022
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case - against (<i>The Entity</i>)	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

52. Capital Commitments

Capital Commitments	June 2024	Dec 2022
	Kshs	Kshs

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Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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53. Events After The Reporting Period

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

54. Ultimate And Holding Entity

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

55. Currency

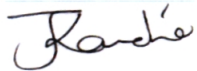
The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
N/A	N/A	N/A	N/A	N/A



Name: Dr. Sheila Kandie.

PRINCIPAL.

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Appendix II: Projects Implemented by Njoro Technical Training Institute

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	N/A					
2	N/A					

Status of Projects completion

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

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Appendix III- Inter-Entity Confirmation Letter


Name of transferring entity: **Ministry OF education.**

Name of beneficiary entity: **Njoro Technical Training Institute**

Confirmation of amounts received by: Njoro Technical Training Institute as of 30 th June 2024.					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	16/1/2023	500,000		500,000	
	11/7/2023	500,000		500,000	
	2/10/2023	500,000		500,000	
	18/1/2024	500,000		500,000	
	5/2/2024	500,000		500,000	
	6/3/2024	510,636		510,636	
Total		3,010,636		3,010,636	

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

Head of Accounts Department - Disbursing Entity:

Name *Hellen Komen* Sign  Date *30/6/2025*

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....

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Appendix IV: Reporting of Climate Relevant Expenditures

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

Appendix V: Reporting on Disaster Management Expenditure

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