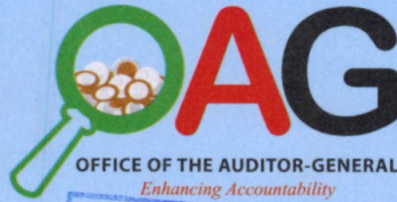


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 08 APR 2026	DAY: WEDNESDAY
TABLED BY: Hon. BIDO RASO, MP	ON BEHALF OF LOM
CLERK-AT THE-TABLE:	J. LEMERELLE

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**THE AUDITOR-GENERAL**

**ON**

**MUKURWE-INI TECHNICAL  
TRAINING INSTITUTE**

**FOR THE YEAR ENDED  
30 JUNE, 2025**



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***MUKURWEINI TECHNICAL TRAINING INSTITUTE***

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

**Mukurweini Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute

**B. Definition of Key Terms**

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

**Comparative Year**- Means the prior period (for this financial report comparative period is FY 2023/2024)

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**2. Key Institute Information and Management**

**(a) Background information**

The Mukurweini Technical Training Institute was incorporated and established under the TVET Act 2013 Act in 2015. The Institute is domiciled in Kenya and has its headquarter at Mukurweini – Gikondi Road in Nyeri County. The institute is under the Ministry of Education.

The Institute has Eight (8) Academic departments. Namely; Electrical Department, Mechanical & Automotive Department, Computing & informatics, Building & Civil Engineering, Agriculture, Business Department and Fashion Design and Cosmetology Department.

**(b) Principal Activities**

Mukurweini Technical Training Institute is under the Ministry of Education in the State Department of Technical and Vocational. The principal activities include training in technical and vocational skills, research and innovation as well as community service and entrepreneurship.

**Our Vision**

A world class TVET institution producing highly skilled professionals for sustainable development.

**Our Mission**

To impart trainees with relevant skills, knowledge and values through provision of quality Technical and Vocational Education and Training.

**Our Values**

- Integrity
- Professionalism
- Innovativeness
- Team Work
- Customer centric

**(c) Key Management**

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

- Board of Governors/ Board/ Management etc.
- Accounting officer/ Principal
- Senior management

**(d) Fiduciary Management**

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

SN.	Designation	Name
1.	Principal	Samuel K. Mwangi
2.	Deputy Principal Administration	Milcah Muthama
3	Deputy Principal Academics	Charles Mwaura
4	Registrar	Robert Njuguna

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SN.	Designation	Name
5	Dean of students	Samuel Kiboi
6	Head of Finance	Mary K. Kiugu
7	Head of Procurement	Francis Ngure

**(e) Fiduciary Oversight Arrangements**

**Audit and risk committee activities**

The Audit and Risk Committee is mandated to evaluate the adequacy of Internal Control Systems (ICS) vis-à-vis risk management and governance. The committee reviews and assesses whether the institution's day to day activities complies to the set and laid down policies and procedures by the institutions in order to identify, assess and manage risks (financial risks, reputational risks, statutory compliance risks amongst others).

**Finance and operations committee activities**

The finance and operations committee oversee the utilization of financial resources of the institution. The committee is charged with the duty of budgeting/budget reviews, financial reporting, reviewing of procurement plans and ensuring the institutions resources are properly managed. The committee discusses all quarterly/annual financial reports and presents to the Board members during a full board meeting for approval.

**Academic and Human resource committee activities.**

This Committee is in charge of matters relating to Academics, Research and Human Resource matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG. The committees' responsibilities include and not limited to; advising the BOG on matters relating academic activities, academic risks and the overall effectiveness of services in support of training. It is also mandated to issues related to HR policies, guidelines, procedures, regulations and standards in labour administration in the institute:

**(f) Institute Headquarters**

P.O. Box: 23-10103  
Mukurweini, Nyeri.

**(g) Institute Contacts**

P.O. Box: 23-10103  
Mukurweini, Nyeri.  
Telephone :( +254) 710440944  
E-mail: [mukurweinitti@gmail.com](mailto:mukurweinitti@gmail.com)  
Website: [www.mukurweinitechnical.ac.ke](http://www.mukurweinitechnical.ac.ke)

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

**(h) Institute Bankers**

Equity Bank Mukurweini Branch P.O. Box 450-10103 Mukurweini, Kenya	Kenya Commercial Bank Mukurweini Branch P.O Box 233 - 10103 Mukurweini, Kenya
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**(i) Independent Auditors**

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

**(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**



SN.	Member/ Director	Details
1.	 Caroline Wambui Muturi Chairperson	Date of birth: 25/3/1981 Qualifications; Master's in Business Administration  Work Experience – 18 years
2.	 Dr. Faith Nkuru Ngugi Member	25/9/1985  Qualifications; PhD in Business (Finance Option) Director of students affairs Kenyatta University & a Lecturer of Business Economics for 16 years.
3.	 David Mwai Macharia: Member	Date of birth: 17/12/1978 Qualifications; Bachelor of Business Management, CPA K Work Experience 22 years - Accountant

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4.	 <p><b>Damaris Mwangeli Kimau: Member</b></p>	<p>Date of birth: 27/3/1976  Qualifications; Undergraduate Degree  Leadership  Work Experience 16 years Human Resource  and Logistics</p>
5.	 <p><b>Beatrice Wamaitha Ruiru: Member</b></p>	<p>Date of birth: 1982  Qualifications; BSC  Sport Science  Work Experience  Director Oilden  Logistics Ltd  from 2008 to  date:</p>
6.	 <p><b>Erick Ouma Omondi</b></p>	<p>Date of birth:1982  Qualifications; PHD in Civil Engineering.  Currently as a Technical Manager</p>
7.	 <p><b>Michael Thiari Wambui</b></p>	<p>Date of birth: 13/7/1984  Qualifications: Masters of Arts in Project  Planning and Management  Work Experience: 7 years Currently  Entrepreneur in building and construction.</p>





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8.	 Charles Theuri Nyota Member	Date of birth: 1969  Qualifications: Master of Science in Computer Science Experience: TVET Administration, County Director TVET Nyeri County
9.	 Samuel Mwangi Principal	Date of birth: 1977 Qualifications: MBA -Strategic Management, Bachelor of Procurement and Contract Management, BED Arts, HND in Entrepreneurship Development.

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**4. Key Management Team**

<i>SN</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Samuel Mwangi Qualifications: MBA -Strategic Management, Bachelor of Procurement and Contract Management, BED Arts, HND in Entrepreneurship Development.	Principal
2.	 Milcah Muthama Qualifications: BED Technical Education – Building Construction	Deputy Principal-Administration
3.	 Charles Mwaura Qualifications: CPA Finalist	Deputy Principal - Academics
4.	 Robert Njuguna: Qualifications: Diploma in Education (Science & Technical Education)	Registrar

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5.	 <p><b>Samuel K Murigi</b> BED: Technical Education – Building Construction</p>	Dean of students
6.	 <p><b>Mary K. Kiugu</b> Qualifications: Bachelor of Commerce (Accounting), CPAK</p>	Finance Officer
7.	 <p><b>5. Francis Ngure</b> Qualifications: Diploma in Purchasing &amp; Supplies Management</p>	Procurement Officer

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**5. Chairman's Statement**

I am pleased to report on the institute's performance during the FY2024/25. The Institute remained focused on its mission to impart trainees with relevant skills, knowledge and values through provision of quality technical and vocational education and training.

During the year under review, a new Board of Governors was inaugurated, inducted and settled down to work in the fourth quarter of the year. As the new chairperson, I take this opportunity to congratulate the current members as I also thank and commend the chairman as well as the members who served in the previous board for laying a strong foundation. The board provided leadership and strategic direction to the institute thus enabling the institute to fulfil her mandate economic hardships notwithstanding. The board played its governance, oversight and resource mobilization roles effectively. The Board ensured that resources were availed to facilitate quality training and assessment throughout the year.

During the FY2024/25, the board supported the introduction and implementation of the Dual TVET policy as well as the adoption of the modularized CBET curriculum which was a game changer in skills acquisition in the country. In this regard, the Board reviewed and approved the institute's academic policy to accommodate the changes in the curriculum design and also reflect the current realities in the TVET sector. In addition, the board supported the industrial linkages initiatives that saw the institute develop memorandum of understanding with the industries in water sector, automotive, electrical and cosmetology.

The Institute maintained prudent financial management strategies and controls to avoid wastage of resources. During the year under review, the institute managed a surplus of Kshs. **7,668,498** and A in A of Kshs. **137,759,618** which was a better outlook despite the hard economic times which saw the government fail to remit scholarship funds for the trainees under the new funding model during the year. I also wish to report that the management ensured compliance with the various regulatory bodies including Kenya Revenue Authority, National Social Security Fund and National Hospital Insurance Fund by paying all the requisite taxes and remittances as permitted by the legislation.

The board managed to expand facilities by constructing an additional plumbing workshop and a fashion design and cosmetology shed. The board equipped the fashion design workshop with modern sewing machines, embroidery machines and other tools and accessories. In addition, the board equipped the electrical, mechanical and automotive departments with additional training equipment which included a standard lathe machine, engines and gear boxes among others. This has gone a long way in ensuring that the institute is delivering quality and diversified programs. The board also ensured that the institute realized optimal staffing levels for effective operations.

During the year under review, the board fostered good relations and collaborations with the key stakeholders including the Government of Kenya through the Ministry of Education, State Department for TVET, Africa Development Bank who have been instrumental in the infrastructural growth of the institute since inception, the various industries that have offered trainees opportunities for industrial training as well parents and guardians who have worked hard to raise the requisite fees and upkeep for their sons and daughters.

In a special way, I wish to recognize and appreciate the support given by the Government of Kenya through capitation and HELB loans which went a long way in making training affordable and possible. In addition, the Public Service Commission deployed fourteen additional trainers which went a long way in bridging the trainer shortage. I also wish to acknowledge the support of our development partner, African Development Bank (AfDB) which has been instrumental in the growth of the institute. During the

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year under review, the institute benefitted from AfDB funded project, Mechanical Engineering workshop which was completed during the financial year under review. The institute also received a 16-seater van under the phase II project. I sincerely wish to thank the Ministry of Education for managing the project effectively.

In conclusion, I wish to thank all other stakeholders including the management, trainers, administrative staff, service providers, parents/guardians, trainees, the community surrounding the Institute for their contribution towards the realization of MTTI's vision.

God bless us all.



.....  
CAROLINE MUTURI  
BOG CHAIRPERSON  
Date:..... 21/11/25

## **6. Report of the Principal**

I am delighted to share the highlights of Mukurwe-ini Technical Training Institute performance for the FY 2024/25. From the onset, I wish to note that that the institute is well placed to continue providing quality and relevant skills training that will contribute towards the attainment of our country's Vision 2030 strategic objectives and the government's Bottom-Up Economic Transformation Agenda (BETA). In furtherance of our mandate therefore, we have committed ourselves to consistently and regularly review, improve and consolidate our institutional policies and training programs to ensure competitiveness in terms of quality, relevance and access. The management has worked hard in setting up structures aimed at guiding the institution in the right strategic direction with the guidance of the Board of Governors. The management continued to put control mechanisms in place to mitigate risk. The internal audit function was supported with the necessary resources and framework to enhance efficiency and effectiveness. The audit, risk and compliance committee of the board held the quarterly meetings for purposes of evaluating and over sighting the management and reported to the full board.

During the Financial Year 2024/2025, the TVET sector continued with the reforms trajectory in terms of curriculum implementation. The Government of Kenya directed that the occupational standards and the curricula be harmonized and reorganized into assessable units of competence or skills set that could be trained in modules of three months each. This impacted on the curriculum design where all trainees would start at module one with core competences units that are practical oriented. This has translated to 90% workshop sessions and 10% theory sessions. In this regard, more resources have been dedicated to training materials, equipment and workshop space as well need for trainers to engage in industrial training to upscale their practical skills. This also called for innovative ways to ensure trainees did not miss any aspect of the training to ensure they are competent at the end of the module in the set skill area. In this regard, the management liaised with the industry and other TVET institute to bridge the gap where there is inadequacy of equipment, tools, machinery or expertise. I take note of the valuable partnership with The Nyeri National Polytechnic in the field of mechanical engineering and Mwea Technical and Vocational College in Agricultural Engineering. I also note with gratitude the support from Autospin Garage who allowed us access to their equipment in the area of automotive technology. In addition, the Recognition of Prior Learning (RPL) policy was approved by the Cabinet for implementation by all TVET institutions. The institute has put measures in place to roll out the RPL training with the first cohort expected in the first quarter of financial year 2025/26.

During the year under review, the Government of Kenya continued with the implementation of the new funding model alongside the capitation funding model. The capitation funds were released for 569 trainees who had been admitted before September 2023 each at Kshs. 13,000 out of Kshs. 30,000. The trainees admitted from September 2023 onwards were supposed to benefit from scholarship funding based on the new funding model. However, the funding for the entire year was not remitted during the year under review. However, the financial challenges did not slow the institute's pace in many fronts.

During the year 2024/2025, there was an increase in trainee enrolment from 1811 to 2512 by the close of the financial year ended 30 June 2025. The increment could be attributed to introduction of courses in photography, video and Fashion design during the year under review as well increased marketing activities. The institute managed to put up the additional plumbing workshop, photography and video studio, Fashion design and cosmetology department workshop as well as an open and distance learning centre for purposes of digitizing content and training online.

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The institute also continued with good performance in national exams registering 84.1% overall pass in KNEC examinations March, 2024 series. I acknowledge the dedication and team spirit of all the staff who have continued to work selflessly to realize the mission of MTTI. The institute also participated in various co-curricular activities such as sports and games, drama festivals and skills competition where trainees not only competed but also showcased their talents and abilities. The institute emerged position 1 in Beauty Therapy during the World Skills Kenya National Competition and in athletics and drama team emerged position 2 in the regional competitions. The institute soccer, basketball, netball, handball, badminton, table tennis teams participated in tournaments during the year. The institute continued to strengthen the quality assurance function by strengthening the quality assurance committee and appointing a deputy quality assurance officer.

Also during the year under review, the institute organized a cultural and talent week where the trainees showcased their creativity, innovation and talent. The event presented a platform for celebrating cultural diversity and inclusion. In addition, the management organized for wellness and health days every term where the trainees and staff got an opportunity for free medical check-ups, mental wellness awareness creation and how to avoid lifestyle related diseases and conditions. The institute also engaged a full time registered nurse in response to the trainees needs. This has gone a long way in alleviating the suffering of the trainees and staff that would be forced to travel to Mukurwe-ini town to seek medical attention.

The institute continued with the dual training mode of training in Plumbing, Electrical Operator, Water Engineering and Automotive Technology was introduced during the year. Dual training entails training with the industry and for the industry where trainees gain the industry experience as they undertake their course. The trainees are required to be in the institute 50% of the duration and 50% in the industry.

I take note of the Board of Governors support and commitment in ensuring the institute is properly governed throughout the year. I also thank the Management and staff for their dedication to duty. In a special way, I take this opportunity to thank the Government for unequivocal support during the year under review. In particular, I acknowledge the recruitment of trainers during the year through the Public Service Commission where the institute received 14 additional trainers.

I also appreciate the support of all our stakeholders and partners during the year. Special thanks to the Chairman and members of the Board for their valuable insights and guidance in their oversight role. I look forward to their continued support in the new financial year and the years ahead.

In conclusion, I assure all stakeholders that the Institute is on course in achieving her mandate resource challenges notwithstanding. It is our hope that the economic environment will be favourable to allow for timely disbursement of allocated funds. During the year under review, the institute was faced with reduction in capitation revenue per trainee. The scholarship funds is yet to be remitted. This adversely affected our performance and budget projections. However, I look forward to a better performing year ahead.

Thank you and God bless you all.

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**SAMUEL MWANGI**  
**PRINCIPAL/SECRETARY BOG**

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

Mukurweini Technical Training Institute has nine strategic pillars/issues/ themes and objectives within current Strategic Plan for the FY2023- FY2028. These strategic pillars are as follows: Governance, Curriculum Implementation, Facilities and Infrastructure, Human Resource Development, ICT Integration, Research Development and Innovation, Collaboration, Linkages and Networking, Enrolment and Tracer Studies and Income Generating Activities.

Mukurweini Technical Training Institute develops its annual work plans based on the above nine pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2024/2025 period for its nine strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: GOVERNANCE	To maintain and continually improve principles of good governance	<ul style="list-style-type: none"> <li>- Revised academic policy</li> <li>- Formulation of Board charter</li> <li>- Review of Strategic plan</li> </ul>	Development of Institutional policies	<ul style="list-style-type: none"> <li>- Well-coordinated policy direction</li> </ul>
Pillar2: CURRICULUM IMPLEMENTATION AND DEVELOPMENT	To offer quality training	<ul style="list-style-type: none"> <li>- Adequate skilled and experienced trainees</li> <li>- Adequate tools, equipment and materials</li> </ul>	<ul style="list-style-type: none"> <li>- Training</li> <li>- Attachment</li> <li>- Field trips</li> <li>- Dual training</li> <li>- Assessment</li> </ul>	<ul style="list-style-type: none"> <li>- Exemplary performance in KNEC examination</li> </ul>
Pillar 3: FACILITIES & INFRASTRUCTURE, EQUIPMENT, MACHINES & TOOLS.	To upgrade the Institute facilities and Infrastructure	<ul style="list-style-type: none"> <li>-New workshops</li> <li>-Maintained infrastructure</li> <li>-Adequate furniture</li> </ul>	<ul style="list-style-type: none"> <li>-Construction of Plumbing(shed)</li> <li>- Cosmetology/Fashion design workshop</li> <li>-Provision of lecture chairs</li> </ul>	<ul style="list-style-type: none"> <li>-constructed workshops</li> <li>-Maintained infrastructure.</li> <li>-Availability of furniture</li> </ul>
Pillar4: HUMAN RESOURCE DEVELOPMENT	To recruit, capacity build and maintain qualified staff	<ul style="list-style-type: none"> <li>Training needs assessment reports.</li> <li>Appraisal reports</li> </ul>	Participating in seminars and workshops	Improved performance and motivated workforce
Pillar 5: ICT INTEGRATION	Enhance the process of automation	<ul style="list-style-type: none"> <li>-Availability of ICT related appliances</li> <li>-upgrading the networking infrastructure and segmentation</li> </ul>	<ul style="list-style-type: none"> <li>-Installation of modern operating systems</li> <li>-Upgraded network and reduced down time</li> </ul>	<ul style="list-style-type: none"> <li>Efficient and faster data processing</li> <li>Improved service delivery</li> </ul>
Pillar6: RESEARCH, INNOVATION & DEVELOPMENT	To enhance research, innovation and development	<ul style="list-style-type: none"> <li>-Participate in trade fairs and exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>-Training</li> <li>-Presentations</li> </ul>	<ul style="list-style-type: none"> <li>-Tap new talents, skills and innovativeness</li> </ul>

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Pillar 7: COLLABORATION, LINKAGES AND NETWORKING	To strengthen and enlarge linkages with strategic partners nationally and internationally	-Onboard -Records of partnership	- List of industry practitioners engaged in dual training and industrial attachment -Signed MOU with partners	-Improved MTTI collaborations
Pillar 8: ENROLLMENT AND TRACE STUDIES	-Mount additional courses -Track graduates upon completion of their course	Increased enrolment	Marketing the Institute	-Increased number of students -Up to date data bank for MTTI graduates.
Pillar 9: INCOME GENERATING ACTIVITIES	-To supplement Institute revenue	- Implementation of IGU policy	Develop IGU units	Increased revenue collection

### 8. Corporate Governance Statement

The statement outlines the key aspects of the Institute’s corporate governance framework. Corporate governance is the process by which the Institute is directed, controlled and held to account. It provides the structure through which the strategic objectives of the Institute are set, and the means of attaining of them as well as monitoring performance. Corporate Governance dictates the engagement between the Institute Board of Governors, Management, Regulators and all Stakeholders.

The Institute in its decision-making processes observes the highest ethical standards and benchmarks on global best practices in compliance with the applicable legal principles, its vision, mission and core values for sustainability of the Institute.

Provide the corporate governance statement as guided below:

- (i) Board members are appointed in accordance with the TVET Act, 2013, the Board of Governors consists of eight persons appointed by the Cabinet Secretary for a period for of three years and who are eligible for re-appointment for a further one term.

The membership of the Board of Governors comprises of;

- (a) The Chairperson;
- (b) Representative of the Principal Secretary in the Ministry of Education Science and Technology, State Department of TVET
- (c) Representative of the Governor of County Government of Nyeri
- (d) Six (6) other members appointed on the basis of their knowledge and experience in— (i) leadership and management; (ii) financial management; (iii) technology; (iv) industry; (v) engineering; (vi) information communication technology

### ***1. Roles and functions of the board***

**Some of the roles of the Board of Governors include:**

- (a) Approve the policies of the Institute
- (b) Recruit staff
- (c) Approve the Annual Budget
- (d) Cause the Accounts to be kept and financial statement to be prepared and presented for audit.
- (e) Undertake other functions set out in the TVET Act, 2013.

### **2. Induction, training, and development**

The induction and training of the TVET Board is done by the Ministry through the Directorate of TVET. It involves equipping new Board members with the knowledge and skills necessary to effectively govern and oversee the Technical and Vocational Education and Training (TVET) sector. This process typically includes workshops, presentations, and familiarization with the TVET Act, national development goals, and the authority's mandate. This training aims at equipping Board Members with the following skills. Here's a more detailed breakdown:

- **Understanding the TVET Landscape:**

Induction helps new board members grasp the philosophy, vision, and objectives of TVET in Kenya, including its role in national development and meeting the needs of the workplace.

- **TVET Act and Regulations:**

Training familiarizes members with the TVET Act, including its provisions for licensing, registration, accreditation, and compliance.

- **Roles and Responsibilities:**

The program clarifies the specific roles and responsibilities of the Board members in relation to the TVET Authority (TVETA) and its functions.

- **Operational Procedures:**

New members are guided through the Authority's operational procedures, including standards development, compliance enforcement, and outreach activities.

- **National Development Goals:**

The induction process highlights how TVET contributes to national development goals, such as Vision 2030, and how the Board ensures relevance and access to training programs.

### **3. Board and members' performance**

The performance evaluation of Board members is done by the state department for TVET. The evaluation is done to test for organizational effectiveness and good governance. It entails assessing how well the board fulfils its responsibilities, including strategic planning, risk management, and oversight of management. Individual board member performance is also evaluated to ensure each member contributes effectively and that the board leverages the collective skills and experience of its members.

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Here's a more detailed breakdown: Board Performance Evaluation:

- **Purpose:**  
To assess the board's overall effectiveness in fulfilling its duties and achieving its objectives.
- **Key Areas of Assessment:**
- **Strategic Planning:** How well the board develops and oversees the organization's strategic direction.
- **Risk Management:** How effectively the board identifies, assesses, and mitigates risks.
- **Financial Oversight:** How well the board monitors the organization's financial performance and ensures financial stability.
- **Executive Oversight:** How effectively the board oversees the performance of the Accounting officer and other senior management.
- **Compliance:** How well the board ensures compliance with laws, regulations, and ethical standards.
- **Board Processes:** The effectiveness of board meetings, decision-making processes, and communication.
- **Stakeholder Engagement:** How well the board engages with and represents the interests of stakeholders.

**4. Succession plan**

Board succession plan is done by the Ministry of Education. After every three years (3) nomination of new board is done and appointment done by the cabinet Secretary of the Ministry of education.

**5. Board remuneration**

The remuneration of the Board is guided by the budgetary allocation and the Board Remuneration Circular issued by the Ministry through the Directorate of the State Department of TVET in December 2024. The remuneration includes sitting allowances per sitting as per the Board Almanac.

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**9. Management Discussion and Analysis**  
**(a) The Institute's Financial Performance**

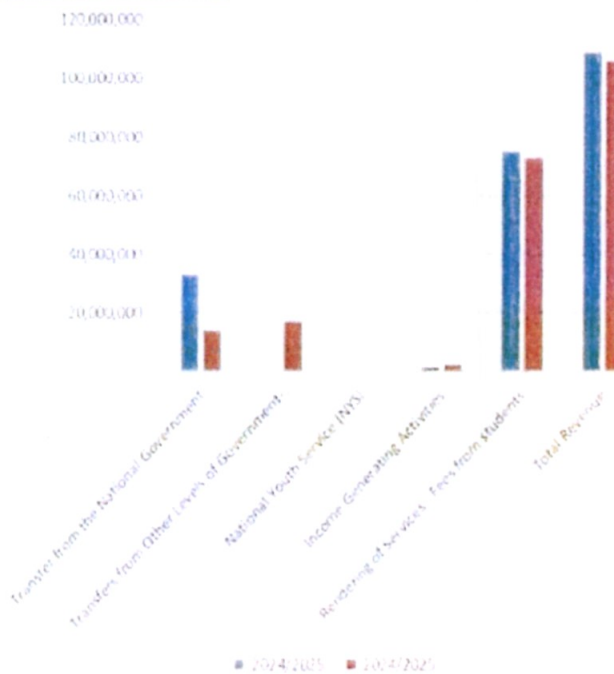
**Revenue**

The Institute's sources of funds during the year under review includes;

- (i) Revenue from exchange transactions (Government Grants – Capitation/Scholarship)
- (ii) Revenue from exchange transactions Internally generated funds – Tuition and other revenues from income generating activities)

During the FY 2024/2025 year, revenue of Ksh 32,810,940.00 was received from the National government inform of capitation, scholarship and recurrent grant and revenue of Ksh. 28,400,400 was generated from students sponsored by the NYS. Ksh, 1,373,140 from income Generating activities and Ksh 75,175,138.20 from regular students, resulting to aggregate revenue of Ksh. 137,759,618 resulting to 29 % increase in revenue from the previous period.

**Revenue Analysis**



**Comparative Analysis of Revenue**

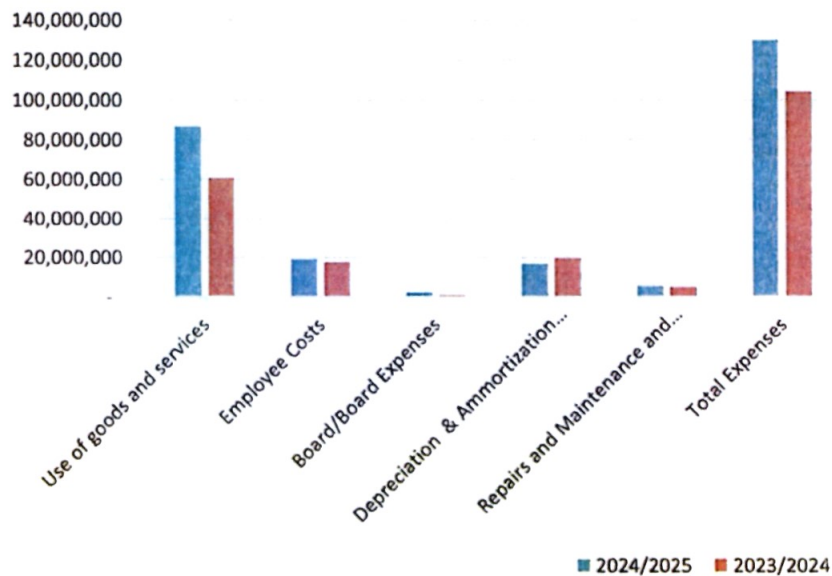
	2024/2025	2023/2024
Transfer from the National Government	32,810,940	14,048,500
Transfers from Other Levels of Government- Ministry	-	16,977,800
National Youth Service (NYS)	28,400,400	-
Income Generating Activities	1,373,140	2,421,261
Rendering of Services - Fees from students	75,175,138	72,960,405
<b>Total Revenue</b>	<b>137,759,618</b>	<b>106,407,966</b>

**Mukurweini Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

**Expenditure**

The overall expenditure increased by 25% from the previous FY Ksh. 104,128,406 to Ksh. 130,091,120. This has been attributed by the change in CBET curriculum requirement leading to increased costs in examination and teaching materials amongst others.

**Expenditure Analysis**



Description	2024/2025	2023/2024
Use of goods and services	86,659,828	60,895,599
Employee Costs	19,147,692	17,478,466
Board/Board Expenses	2,162,982	1,110,900
Depreciation & Ammortization Expense	16,704,449	19,661,395
Repairs and Maintenance and Improvement	5,416,169	4,982,046
<b>Total Expenses</b>	<b>130,091,120</b>	<b>104,128,406</b>

**b) Entity's compliance with statutory requirements**

The Institution has complied with all statutory regulations. Namely;

- i) P.A.Y.E deductions for both Primary and Secondary employees
- ii) NSSF, both employer and employees' contributions
- iii) Social Health Insurance Fund (SHIF)
- iv) National Industrial Training Authority Levy

**Mukurweini Technical Training Institute  
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- v) Affordable Housing Levy
- vi) Employees Higher Education Loans Board repayments
- vii) Withholding taxes amongst others

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

Over this reporting period, the Institute undertook the following projects some of which are works in progress

No.	PROJECTS	STATUS	SOURCE OF FUNDS
1	Plumbing shed	Completed	Internally generated funds
2	Open, Distance and E-learning (ODEL) Centre	Complete	Internally generated funds
3	Fashion and Design and cosmetology shed.	Complete	Internally generated funds

The above 3 projects are permanent project in which the institution will back on practical training and Distance learning (the ODEL centre

**d) Extra Curricular Activities**

Engaging in games and sports is essential for the holistic development of trainees. Participation in these activities not only enhances physical fitness but also promotes mental well-being. Research has shown that trainees who are actively involved in sports tend to excel academically and are less likely to engage in drug abuse.

Some of the achievement in extra - curricular activities during the period under review includes

Date	Event	Venue	Participants	Outcome
4 <sup>th</sup> to 7 <sup>th</sup> April 2025	KATTI Regional Athletic & indoor Championship	Murang'a Teachers Training College	56 trainees participated	Position 1 out of 26 Mt Kenya West institutions
11 <sup>th</sup> to 15 <sup>th</sup> June 2025	KATTI National Athletic & indoor Championship	Afraha Stadium	25 trainees participated	Gold medallist in Javelin women

**Mukurweini Technical Training Institute  
Annual Report and Financial Statements for the year ended 30th June 2025**

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***Mukurwe-ini TTI Principal with the athletic and indoor game team proceeding Katti nationals championships***



**Gold Medallist being awarded during the KATTI National Championship at Afraha Stadium, Nakuru County.**

**10. Environmental And Sustainability Reporting Statement**

Mukurweini Technical Training Institute exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.  
Sustainability strategy and profile

**Environmental performance**

The triple Bottom Line concepts analysis the sustainability of an organization based on three concepts: Profits, people (social) and Planet (environment).

**Profit:** The institute has adopted a transformation strategy aimed at ensuring that she remains financially sound in the face of dwindling funding from the central government. The institutions have expanded it capacity for internally generated income like production of sanitizers and masks.

**Social:** the institute has developed a succession management policy to address the welfare of employees in the future and ensure that the organization is sustainable in the future

**Environmental Performance**

The board of governance has plans to undertake an environmental sustainability audit and developed an environmental policy to address the issues of environmental sustainability that will be identified during the audit.

**Employee welfare**

The Institute values her employees and the many stakeholders, including the wider community where the training of our students has the potential to bring positive social and environmental change. We value the contribution that individuals and external entities make to our Institute through community consultation process. Capacity building trainings were conducted during the year to improve on the staff competency and planning for retirement.

We integrate the principles of social responsibility into our core mandate internally by exhibiting the behaviors of good corporate governance, ethical decision making, and providing our personnel with opportunities to develop and excel. We integrate the principles of social responsibility into our training activities externally by minimizing our environmental impact and seeking to enhance the amenity of residential communities.

<b>Activity</b>	<b>Description</b>
<b>Better training</b>	<ul style="list-style-type: none"> <li>• Optimizing training operations to meet ongoing social and sustainability objectives.</li> <li>• Providing opportunities for growth as the Institute by becoming involved in our local community.</li> </ul>
<b>Enhanced community</b>	<ul style="list-style-type: none"> <li>• Focusing on good urban design and empowered members for healthy, happy and resilient community.</li> </ul>

**Mukurweini Technical Training Institute  
Annual Report and Financial Statements for the year ended 30th June 2025**

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**Supported Staff**

- Promoting initiatives that support staff and their families, beyond the provision of employment.
- Promoting initiatives that recognize the contribution of the students to the community.

**Policies Guiding the Institute's Hiring Process**

S/no	Title	Review Period	Remarks
1	Career Progression	Regularly	Vacant positions are filled competitively both internally and externally. Financial resources are considered before effecting the strategy
2	Human Resource Manual	Regularly	Terms and conditions of service governing employees are applied across the board without discrimination
3	Internship Policy and guidelines	Regularly	Intern positions are filled competitively and without discrimination
5	Gender Mainstreaming	Regularly	The Institute observes equal employment opportunities during staff recruitment across all genders
6	Disability Mainstreaming	Regularly	The institute offers equal employment opportunities to officers living with disability. The institute also offers rights and privileges as provided in the PWDs Act and Board employment policies

**Market place practices-**

**a) Responsible competition practice.**

The institute continues to thrive both locally and nationally through application of good ethics, respect for the neighbouring institutions and especially marketing to attract students from across the country.

**b) Responsible Supply chain and supplier relations**

The institute has maintained good business practice by complying with the government policy and Section 227 of The Constitution of Kenya.

All procurement activities have continuously been carried out where Supply Chain ensured that there are sufficient funds to meet the obligations of the resulting contract and are reflected in the approved budget estimates. Knowledge of available funds acts as a guide in knowing what to procure and when to procure.

The organization has maintained and continuously updated list of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs.

Mukurweini Technical Training Institute has at all-time ensured responsible treatment of the suppliers in various ways as featured below;

- Ensuring proper communication channels e.g. Telephone lines and emails are open so as to make sure information is passed across efficiently and effectively between the procurement department and the suppliers.

**Mukurweini Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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- ii) Providing customer support when and where required. This entails listening keenly to suppliers, contractors and consultants and responding appropriately.
- iii) When doing procurement planning the institute has complied with preference and reservation requirements.
- iv) Supply Chain function has ensured timely submission of the suppliers' invoices to facilitate payment process by the finance department after delivery of goods, services or works is completed. This helps in making sure that the payment process is not delayed. Timely payment of suppliers helps in maintaining a good relationship with the supplier and also avoiding of penalties that may arise from delayed payment.
- v) Supply Chain also makes follow ups of invoices issued to finance for payment process to ensure timely payments of suppliers.

**Corporate Social Responsibility / Community Engagements**

During the year under review, the institute carried out various CSR activities to impact the society such as tree planting, road safety awareness and helping the less fortunate in our community.

**Mukurweini Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**11. Report of the Board/Board of Governors**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the affairs for Mukurweini Technical Training Institute..

**Principal activities**

The principal activities include training in technical and vocational skills, research and innovation as well as community service and entrepreneurship.

**Results**

The results of the Institute for the year ended 30<sup>th</sup> June 2025 are set out on page 1 to 5


**Board/Board of Governors**

The members of the Board members who served during the year are shown on page vi to vii.

**Auditors**

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

By Order of the Board

  
.....  
**Secretary of the Board/Board**  
**Mukurweini**  
Date:..... 21/11/2025 .....

**Mukurweini Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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

The Board members are responsible for the preparation and presentation of the Institute financial statements, which give a true and fair view of the state of affairs of Mukurweini Technical Training Institute for and as at the end of the financial year ended on June 30th, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the 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 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 2013*). The board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of Mukurweini Technical Training Institute transactions during the financial year ended June 30, 2025 and of the *entity's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *Mukurweini TTI* which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the *entity's* ability to continue as a going concern. 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.

**Mukurweini Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

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**Approval of the financial statements**

The *entity's* financial statements were approved by the Board on 21/11/2025 and signed on its behalf by:

  
.....

**Name**  
**Chairperson of the Board**

  
.....

**Name**  
**Accounting Officer/Principal**

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON MUKURWE-INI TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Mukurwe-ini Technical Training Institute set out on pages 1 to 36, which comprise the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in

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*Report of the Auditor-General on Mukurwe-ini Technical Training Institute for the year ended 30 June, 2025*

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

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

### **Basis for Qualified Opinion**

#### **Doubtful Recoverability of Receivables from Exchange Transactions**

The statement of financial position reflects current receivables from exchange transactions balance of Kshs.53,852,125 and receivables of Kshs.7,409,270 relating to receivables from regular students and receivables from National Youth Service (NYS) respectively as disclosed in Note 17 and 18 to the financial statements. However, receivables totalling Kshs.13,389,702 had been outstanding for between one to three years. Further, there was no policy on the impairment of long outstanding fee arrears casting doubt on the fair statement of the receivables balance.

In the circumstances, the accuracy, completeness and recoverability of the receivable balance of Kshs.13,389,702 from exchange transactions could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Mukurwe-ini Technical Training Institute's 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 and budget actual amounts reflects final budget receipts and actual receipts of Kshs.144,003,200 and Kshs.137,759,618 respectively resulting to underfunding of Kshs.6,243,582 or 4% of the budget. Similarly, the actual expenditure was Kshs.130,091,121 against actual receipts of Kshs.137,759,618 resulting to under absorption of Kshs.7,668,497 or 6% of the actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year two issues were raised on the Report on the Financial Statements lawfulness and Effectiveness in use of Public Resources and one issue on Effectiveness of Internal Controls, Risk Management and Governance.

Review of the status during audit of Mukurwe-ini Technical Training Institute in 2024/2025 revealed that the following matters remained unresolved.

	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Unexplained Variances in Refundable Deposits
2	2023/2024	Doubtful Recovery of Receivables
3	2023/2024	Lack of staff Ethnic Diversity and Gender Balance
4	2023/2024	Failure to Update the Fixed Asset Register
5	2023/2024	Lack of Imprest Register
6	2023/2024	Lack of Information Technology Policy

### **Other Information**

Board of Governors is responsible for the Other Information set out on page iii to xxviii which comprise of Key Entity Information and Management, The Board of Governors, 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 Governors and Statement 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. Failure to Deduct and Remit Withholding Tax on Contracted Civil Works**

During the year under review, the Institute engaged suppliers in civil and contractual services of Kshs.7,753,762. However, as per the Income Tax Act the Institute was supposed to withhold and pay to Kenya Revenue Authority an amount equivalent to 3% of the contract sum totaling to Kshs.232,622. However, no evidence was provided for audit to confirm deduction and payment of the withholding amounts. This was contrary to Section 19(4) of the employment Act, 2007 which provides that an employer who deducts an amount from an employee's remuneration in accordance with subsection (1)(a), (f), (g) and (h) should pay the amount so deducted in accordance with the time period and other requirements specified in the law,

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

### **2. Non-Compliance with Public Procurement Capacity Building Levy**

Review of records revealed that the Institute entered into contracts but no documentary evidence has been provided to confirm that the Entity complied with paragraph 3(1) of the Public Procurement Capacity Building Levy, Order 2023 which states that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes. In addition, Public Procurement Regulatory Authority (PPRA) circular No. 01/2024 dated 30 August, 2024 which requires procurement entities to remit the levy to the Authority through the e-Citizen payment platform by the 20<sup>th</sup> day of the subsequent month and also file monthly returns.

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

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

## REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Nairobi**

**16 December, 2025**

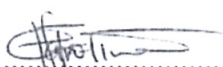
**Mukurweini Technical Training Institute  
Annual Report and Financial Statements for the year ended 30th June 2025**

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

	Notes	FY Ended 30th June 2025	FY Ended 30th June 2024
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfer from the National Government	6	32,810,940	14,048,500
Transfers from Other Levels of Government- Ministry of Youth & Sports ( NYS)	7	-	16,977,800
<b>Total Revenue from Non-Exchange transactions</b>		<b>32,810,940</b>	<b>31,026,300</b>
<b>Revenue from Exchange Transactions</b>			
National Youth Service (NYS)	8	28,400,400	-
Income Generating Activities	9	1,373,140	2,421,261
Rendering of Services - Fees from students	10	75,175,138	72,960,405
<b>Revenue from Exchange Transactions</b>		<b>104,948,678</b>	<b>75,381,666</b>
<b>Total Revenue</b>		<b>137,759,618</b>	<b>106,407,966</b>
<b>Expenses</b>			
Use of goods and services	11	86,659,828	60,895,599
Employee Costs	12	19,147,692	17,478,466
Board/Board Expenses	13	2,162,982	1,110,900
Depreciation & Ammortization Expense	14	16,704,449	19,661,395
Repairs and Maintenance and Improvement	15	5,416,169	4,982,046
<b>Total expenses</b>		<b>130,091,121</b>	<b>104,128,406</b>
<b>Surplus for the Year</b>		<b>7,668,498</b>	<b>2,279,560</b>

(The notes set out on pages 6 to 31 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 5 were signed by:

  
.....  
**Caroline Muturi**  
Chairman of Board

  
.....  
**Samuel K Mwangi**  
Principal

  
.....  
**Mary K. Kiugu**  
Finance Officer

Date..... 21/11/25 .....

Date..... 21/11/25 .....

Date..... 21/11/25 .....

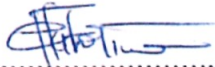
**Mukurweini Technical Training Institute**  
**Annual Report and Financial Statements for the year ended 30th June 2025**

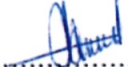
**15. Statement of Financial Position As At 30th June 2025**


	Notes	FY Ended 30th June 2025	FY Ended 30th June 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	11,276,013	4,499,117
Current Portion of receivables from exchange transactions	17	53,852,125	26,183,606
Receivables from -exchange transactions	18	7,409,270	13,898,650
Inventories	19	680,983	937,964
<b>Total Current Assets</b>		<b>73,218,391</b>	<b>45,519,337</b>
<b>Non-current assets</b>			
Property, Plant and Equipment	20	592,037,444	369,132,899
Intangible Assets	21	1,377,493	1,967,847
<b>Total Non-current Assets</b>		<b>593,414,937</b>	<b>371,100,746</b>
<b>Total Assets</b>		<b>666,633,328</b>	<b>416,620,083</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	22	12,898,120	1,885,238
Refundable deposits	23	2,756,458	901,629
<b>Total liabilities</b>		<b>15,654,578</b>	<b>2,786,867</b>
<b>Net Assets</b>		<b>650,978,750</b>	<b>413,833,216</b>
<b>Represented by:</b>			
<b>Reserves</b>		595,722,130	366,245,094
Accumulated surplus		55,256,620	47,588,122
<b>Total Capital and Reserves</b>		<b>650,978,750</b>	<b>413,833,216</b>

The notes set out on pages 6 to 31 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 5 were signed by:

  
 .....  
**Caroline Muturi**  
 Chairman of Board/Board

  
 .....  
**Samuel K Mwangi**  
 Principal

  
 .....  
**Mary K. Kiugu**  
 Finance Officer

Date..... 21/11/25 .....

Date..... 21/11/2025 .....

ICPAK No. 32319  
 Date..... 21/11/25 .....

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

	Accumulated Surplus	Capital Reserves	Total
	Ksh	Ksh.	Ksh.
Balance b/f as at July 1 2022	62,015,896	385,031,274	447,047,171
Surplus for the year	- 16,707,334	-	- 16,707,334
Adjustment		- 15,795,063	- 15,795,063
<b>Balance c/d as at 30th June 2023</b>	<b>45,308,562</b>	<b>369,236,211</b>	<b>414,544,775</b>
Balance b/d as at July 1 2023	45,308,562	369,236,211	414,544,775
Surplus for the year	2,279,560		2,279,560
Adjustment		- 2,991,117	- 2,991,117
<b>Balance c/f as at 30th June 2024</b>	<b>47,588,122</b>	<b>366,245,094</b>	<b>413,833,216</b>
Balance b/d 1st July 2024	47,588,122	366,245,094	413,833,216
Revaluation reserve (VAN)		5,500,000	5,500,000
AfDB ( Mechanical building)		77,558,253	77,558,253
AfDB ( Electrical building)		146,849,803	146,849,803
Adjustment for depreciaton of assets overstated in the prior period		- 431,020	- 431,020
Surplus for the period	7,668,498		7,668,498
<b>Balance c/d as at 30th June 2025</b>	<b>55,256,620</b>	<b>595,722,130</b>	<b>650,978,750</b>

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

	Notes	FY Ended 30th June 2025	FY Ended 30th June 2024
		Ksh	Ksh
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from National government	6	32,810,940	14,048,500
Receipts from NYS		37,714,780	16,977,800
Other incomes	9	1,373,140	2,421,261
Rendering of services- Receipts		47,227,305	71,805,905
<b>Total Receipts</b>		<b>119,126,165</b>	<b>105,253,466</b>
<b>Payments</b>			
Use of Goods and Services		76,824,186	60,895,599
Employees costs	12	19,127,877	17,478,466
BOG Remuneration/Expenses	13	2,162,982	1,110,900
Repairs, Maintenance & Improvements		4,732,014	4,982,046
Refund to HELB (unutilized funds)		775,804	-
Other Refunds		46,840	-
Developments Internal project expenses			
<b>Total Payments</b>		<b>103,669,703</b>	<b>84,467,011</b>
<b>Net cash out flow flows from operating activities</b>		<b>15,456,462</b>	<b>20,786,456</b>
<b>Working Capital Adjustments</b>			
Decrease in Non-Current Receivables		-	- 9,837,130
Net Cashflow from Operating Activities		-	<b>10,949,326</b>
<b>Cashflow from Investing activities</b>			
Purchase of Equipments and Machinery		8,679,565	- 7,637,947
<b>Cash flows from financing activities</b>		<b>8,679,565</b>	<b>- 7,637,947</b>
<b>Net increase in cash and cash equivalents</b>		<b>6,776,897</b>	<b>3,311,379</b>
Cash and cash equivalents at the beginning of the Period		4,499,116	1,187,737
<b>Cash and cash equivalents at the end of the Period</b>		<b>11,276,013</b>	<b>4,499,116</b>

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

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

Description	Original Budget	Adjustments	Final Annual Budget	Actual on a comp	Budget utilization dif	% of
						Utilization
	a	B	C=(a+b)	D	E=c-d	F=d/c
<b>Revenue</b>		Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from National Government entities	45,000,000	-	45,000,000	32,810,940	12,189,060	73%
Rendering of services- Fees from students	94,215,200	-	94,215,200	103,575,538	9,360,338	110%
Income generating activities	4,788,000	-	4,788,000	1,373,140	3,414,860	29%
<b>Total Revenue</b>	<b>144,003,200</b>		<b>144,003,200</b>	<b>137,759,618</b>	<b>6,243,582</b>	<b>96%</b>
<b>Expenditure</b>			-			
Use of goods and services	117,240,318	-	117,240,318	86,659,828	30,580,490	74%
Employee costs	19,499,400	-	19,499,400	19,147,692	351,708	98%
Remuneration of directors	2,163,000	-	2,163,000	2,162,982	18	100%
Repairs, maintenance & Improvement	5,101,200	-	5,101,200	5,416,169	314,969	106%
Depreciation and ammortization expense		-	-	16,704,449	16,704,449	0%
<b>Total expenses</b>	<b>144,003,918</b>	-	<b>144,003,918</b>	<b>130,091,121</b>	<b>13,912,797</b>	<b>90%</b>
Surplus/deficit		-	-	7,668,498	7,668,498	

**19. Notes to the Financial Statements**

**1. General Information**

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

**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 *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed 20. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

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

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b>Applicable 1<sup>st</sup> January 2025</b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <b><i>This standard is not currently applicable to Mukurweini TTI since the Institute has no lease obligation</i></b>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b>Applicable 1<sup>st</sup> January 2025</b> 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. <b><i>This standard is not applicable since the institute has not held for sale any assets or a discontinued operation</i></b>
IPSAS 45: Property Plant and Equipment	<b>Applicable 1<sup>st</sup> January 2025</b> 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. <b><i>The standard is applicable by the institute only for Property, plant &amp; equipment .</i></b>
IPSAS 46: Measurement	<b>Applicable 1<sup>st</sup> January 2025</b> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

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	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b><i>This standard has been applied in the valuation of inventories, property, plant and equipment using the cost model.</i></b></p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Institute shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b><i>This standard has been applied to account for the revenue from both non – exchange transactions and not exchange transaction in the statement of financial performance</i></b></p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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> <p><b><i>This standard is not applicable to the institute as there were no expenses transferred during the FY under review.</i></b></p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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> <p><b><i>This standard has no impact on Mukurweini Technical Training Institute since the institute has no retirement benefit plan during the period under review</i></b></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol> <p><b><i>Standard not applicable as the institution has no Mineral Resources</i></b></p>

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***Early adoption of standards***

The Institute early adopted IPSAS 45 property, Plant & Equipment, IPSA 46 Measurements and IPSA 47, Revenue.

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

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**b) Budget information**

The original budget for FY 2024/2025 was approved by the Board or Board on **26/9/2025**. 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 Cash flows has been presented.

**c) Taxes**

***Current income tax***

The Institute is exempt from paying taxes as per schedule **II** of the ***Income tax Act***.

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

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

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

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

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

**f) Leases**

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

**g) Intangible assets**

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

**h) Biological Assets**

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

**i) Research and development costs**

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

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

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

**j) Financial instruments**

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

### ***Financial assets***

#### ***Classification***

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

***Financial liabilities***

***Classification***

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

**k) Inventories**

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

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

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

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

### **Inventories (Continued)**

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

#### **l) Provisions**

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

#### **Contingent liabilities**

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

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

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Institute 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 Institute will incur in fulfilling the present obligations represented by the liability.

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**n) Nature and purpose of reserves**

The *Institute* creates and maintains reserves in terms of specific requirements especially capital reserves where the institute has received a free donation in kind especially capital items like building. In such a case assets are debited and capital fund is credited with the value of the assets.

**o) Changes in accounting policies and estimates**

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

**p) Employee benefits**

**Retirement benefit plans**

Currently the institute has no retirement benefit plans for its directors and staff

**q) Foreign currency transactions**

During the year under review the institute had no foreign currency transactions

**r) Borrowing costs**

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

**s) Related parties**

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

**t) Service concession arrangements**

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

**u) Cash and cash equivalents**

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

**v) Comparative figures**

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

**w) Subsequent events**

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

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

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

### **Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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 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**

	FY Ended 30th June 2025	FY Ended 30th June 2024
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation	16,175,875	14,048,500
Scholarship	11,635,065	-
Recurrent Grant	5,000,000	-
<b>Total revenue from Non Exchange Transactions</b>	<b>32,810,940</b>	<b>14,048,500</b>

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

Description	FY Ended 30th June 2025	FY Ended 30th June 2024
	Kshs	Kshs
National Youth Service	-	16,977,800
<b>Total</b>	<b>-</b>	<b>16,977,800</b>

**8. Revenue from Exchange Transactions – NYS Students**

Description	FY Ended 30th June 2025	FY Ended 30th June 2024
	Kshs	Kshs
Revenue from NYS students	28,400,400	-
<b>Total</b>	<b>28,400,400</b>	<b>-</b>

**9. Revenue from Exchange Transactions- Income Generating Activities**

Description	FY Ended 30th June 2025	FY Ended 30th June 2024
	Kshs	Kshs
IGA	1,373,140	2,421,261
<b>Total</b>	<b>1,373,140</b>	<b>2,421,261</b>

**10. Revenue from Exchange Transactions- Regular Students**

Description	FY Ended 30th June 2025	FY Ended 30th June 2024
	Kshs	Kshs
Tuition	58,513,399	34,681,295
Personal Emolument	18,052,099	13,113,464
Repairs Maintenance & Improvements	3,895,560	2,720,887
Local Travel and Transport	5,238,612	3,572,417
Electricity & Water Consumption	4,304,022	2,673,815
Activity Fund	4,663,061	3,826,969
Examination Fees	13,955,035	3,401,139
Industrial attachment/medical/insurance	4,189,390	6,577,619

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Student ID	443,500	498,500
Registration Fees	484,850	498,500
Students Welfare	1,406,100	897,300
Tveta Fees	710,700	498,500
Meals and Accommodation	14,744,650	-
KUCCPS	785,500	-
Less Capitation and Scholarship received	- 27,810,940	-
Revenue from NYS students	- 28,400,400	
<b>Total Revenue from rendering of services- Regular student fees</b>	<b>75,175,138</b>	<b>72,960,405</b>

**11. Use of Goods and Services**

Description	FY Ended 30th June 2025	FY Ended 30th June 2024
	Kshs	Kshs
Administrative Expenses	17,273,469	11,757,196
Activities	6,520,835	6,415,348
Electricity, water & conservancy	3,954,636	2,788,793
Student welfare	677,600	1,062,574
Teaching materials	14,893,258	9,977,401
Industrial attachment, insurance and Medical	1,400,460	1,225,458
Exams	13,666,650	7,992,110
ICT integration	1,069,305	3,097,712
IGA - Income Generating Activities	1,287,802	2,488,246
Students Registration	89,300	92,800
Local travel & Transport	5,548,117	4,300,495
Student ID	160,300	73,605
Bank charges	57,701	68,840
School equipment and store expenses	1,703,124	3,397,361
Meals and Accommodation	12,085,405	6,157,660
TVETA quality assurance fees/Courses accredited	2,026,500	-
KUCCPS	1,656,000	-
Internal Development Project Expenses	2,589,366	
<b>Total Use of Goods and Services</b>	<b>86,659,828</b>	<b>60,895,599</b>

**12. Employees Costs**

Description	FY Ended 30th June 2025	FY Ended 30th June 2024
	Kshs	Kshs
Paid	19,127,877	
Accrued	19,815	17,478,466
<b>Total Employees costs</b>	<b>19,147,692</b>	<b>17,478,466</b>

13. Board/Board Expenses

Description	FY Ended 30th June 2025	FY Ended 30th June 2024
	Kshs	Kshs
Board allowances/ Expenses	2,102,982	1,110,900
Chairman's Honoraria	60,000	-
<b>Total Board Expenses</b>	<b>2,162,982</b>	<b>1,110,900</b>

14. Depreciation & Amortization Expense

Description	FY Ended 30th June 2025	FY Ended 30th June 2024
	Kshs	Kshs
Property Plant and Equipment	16,114,095	19,557,824
Intangible assets	590,354	103,571
<b>Total</b>	<b>16,704,449</b>	<b>19,661,395</b>

15. Repairs and Maintenance & Improvement

Description	FY Ended 30th June 2025	FY Ended 30th June 2024
	Kshs	Kshs
Repairs, maintenance and Improvement	5,416,169	4,982,046
<b>Total Repairs and Maintenance &amp; Impr</b>	<b>5,416,169</b>	<b>4,982,046</b>

16. Cash and Cash Equivalents

	FY Ended 30th June 2025	FY Ended 30th June 2024
<b>Financial Institution</b>		
KCB Development Account	27,018	28,323
KCB Bank-Operation Account	6,070,491	1,701,945
Equity Bank- Tuition Account	995,451	2,703,410
Equity Bank- Exam Account	4,154,002	29,272
Cash on hand	1,550	36,166
Staff Advances	27,500	-
<b>Sub- Total</b>	<b>11,276,013</b>	<b>4,499,117</b>

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**17. Receivables from Exchange Transactions**

	<b>FY Ended 30th June 2025</b>	<b>FY Ended 30th June 2024</b>
<b>Financial Institution</b>		
Current Receivables from Regular Students	53,852,125	26,183,606
<b>Total Current Receivables</b>	<b>53,852,125</b>	<b>26,183,606</b>

**18. Receivables from Exchange Transactions-NYS**

<b>Description</b>	<b>FY Ended 30th June 2025</b>	<b>FY Ended 30th June 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Receivables from -exchange transactions - N	7,409,270	13,898,650
<b>Total Current Receivables From NYS</b>	<b>7,409,270</b>	<b>13,898,650</b>

**19. Inventories**

<b>Description</b>	<b>FY Ended 30th June 2025</b>	<b>FY Ended 30th June 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Consumables as at 30th June 2025	680,983	937,964
<b>Total</b>	<b>680,983</b>	<b>937,964</b>

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20. Property, Plant & Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and machinery	Work in progress	Total
Depreciation Rate		2%	25%	12.5%	30%	12.5%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
								-
At 1st July 2021	25,500,000	132,978,157	2,012,344	4,427,691	3,438,144	85,915,209		254,271,545
Additions		8,902,086	6,290,000					15,192,086
Revaluation gain/loss	67,700,000	93,514,757	3,987,656	3,418,411	2,018,976	32,802,969		137,836,831
As at 30th June 2022	93,200,000	235,395,000	12,290,000	7,846,102	5,457,120	53,112,240	-	407,300,462
Depreciation		4,707,900	3,072,500	980,763	1,637,136	6,639,030		17,037,329
NBV As at 30th June 2022	93,200,000	230,687,100	9,217,500	6,865,339	3,819,984	46,473,210	-	390,263,133
At 1st July 2022	93,200,000	230,687,100	9,217,500	6,865,339	3,819,984	46,473,210		390,263,133
Additions		4,019,985		170,550	910,000	127,000		5,227,535
As at 30th June 2023	93,200,000	234,707,085	9,217,500	7,035,889	4,729,984	46,600,210	-	395,490,668
Depreciation		4,694,142	2,304,375	879,486	1,418,995	5,825,026		15,122,024
NBV As at 30th June 2023	93,200,000	225,992,958	6,913,125	5,985,853	2,400,989	40,648,184		
At 1st July 2023	93,200,000	225,992,958	6,913,125	5,985,853	2,400,989	40,648,184	-	375,141,109
Additions	-	-	-	1,171,600	705,300	475,245	5,285,802	7,637,947
At 30th June, 2024	93,200,000	225,992,958	6,913,125	7,157,453	3,106,289	41,123,429	5,285,802	381,779,056
Depreciation		4,519,859	1,728,281	894,682	931,887	5,140,429		13,215,137
NBV As at 30th June 2024	93,200,000	221,473,099	5,184,844	6,262,771	2,174,402	35,983,000	5,285,802	369,563,919
At 1st July, 2024	93,200,000	221,473,099	5,184,844	6,262,771	2,174,402	35,983,000	5,285,802	369,563,919
Additions		81,347,568	5,500,000	790,000	1,560,100	2,540,150	146,849,803	238,587,621
Capitalization		3,028,585		963,467	1,293,750		5,285,802	-
At 30th June 2025	93,200,000	305,849,252.13	10,684,844	8,016,238	5,028,252	38,523,150	146,849,803	608,151,540
Depreciation		6,116,985	2,671,211	1,002,030	1,508,476	4,815,394	-	16,114,095
Accumulated Depreciation		15,330,986	6,703,867	2,776,198	3,859,357	15,780,849	-	44,451,257
At 30th June 2025	93,200,000	299,732,267	8,013,633	7,014,209	3,519,777	33,707,756	146,849,803	592,037,444
NBV As at 30th June 2024	93,200,000	221,473,099	5,184,844	6,262,771	2,174,402	35,983,000	5,285,802	369,563,919

21. Intangible Assets

INTANGIBLE ASSETS-SOFTWARE	FY Ended 30th June 2025	FY Ended 30th June 2024
Description	30%	30%
	Ksh	Ksh
<b>Cost</b>		
As at 1st July 2023	1,967,847	2,071,418
Additions	-	-
As at 30th June 2024	1,967,847	2,071,418
Valuation gain	-	-
As at 1st July 2024	1,967,847	2,071,418
<b>Amortization and impairment</b>		- 103,571
Amortization	590,354.10	
At end of the year period - 30th June 2025	1,377,493	1,967,847
As at 1st July 2024	1,967,847	1,967,847

22. Trade & Other Payables

Description	FY Ended 30th June 2025	FY Ended 30th June 2024
	Kshs	Kshs
trade and Other payables	12,898,120	1,885,238
<b>Total Trade and Other payables</b>	<b>12,898,120</b>	<b>1,885,238</b>

23. Refundable deposits

	Period Ended 30th June 2025	Period Ended 30th June 2024
	Ksh.	Ksh.
<b>Deposits for the Period</b>		
Caution Money	1,690,263	901,629
Unutilized funds (HELB)	1,066,195	-
<b>Balance at the end of the Period</b>	<b>2,756,458</b>	<b>901,629</b>

24. Ageing analysis – Receivables from Exchange Transactions

Description	Period Ended 30th June 2025		Period Ended 30th June 2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	47,871,693	78%	14,051,659	50%
Between 1- 2 years	12,596,517	21%	7,658,928	27%
Over 3 years	793,185	1%	4,546,624	23%
<b>Total</b>	<b>61,261,395</b>	<b>100%</b>	<b>26,183,606.00</b>	<b>100%</b>

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**25. Ageing Analysis Trade Payables**

Description	Period Ended 30th June 2025		Period Ended 30th June 2024	
	Kshs		Kshs	
Trade payables	12,898,120		1,885,238	
<b>Total Trade and Other Payables</b>	<b>12,898,120</b>		<b>1,885,238</b>	
Ageing analysis:	Period Ended 30th June 2025		Period Ended 30th June 2024	
Under one year				
<b>Total (to tie to totals above)</b>	<b>12,898,120</b>	<b>100%</b>	<b>1885238</b>	<b>100%</b>

**26. Ageing Analysis - Refundable deposits**

Description	Period Ended 30th June 2025		Period Ended 30th June 2024	
	Kshs		Kshs	
Caution money	1,690,263		901,629	
Unutilized HELB Loan	1,066,195		-	
<b>Total Deposits</b>	<b>2,756,458</b>		<b>901,629</b>	
Ageing analysis:	Period Ended 30th June 2025		Period Ended 30th June 2024	
Under one year				
1-2 years	1,854,829	67%	693,063	100%
Over 2 years years	901,629.00	0%	-	-
<b>Total (to tie to totals deposits above)</b>	<b>2,756,458</b>	<b>67%</b>	<b>693,063</b>	<b>100%</b>

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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 **Icon Valuers Limited** professional valuers in May 2022. These amounts were adopted in the financial statements 30<sup>th</sup> June, 2022

**27 (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	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	93,200,000	-	93,200,000
Buildings	466,620,956	20,038,886	446,582,070
Plant And Machinery	17,790,000	9,776,367	8,013,633
Motor Vehicles including Motorcycles	10,771,169	3,756,960	7,014,209
Computers and Related Equipment	9,016,270	5,496,493	3,519,777
Office Equipment, Furniture, And Fittings	56,127,635	22,419,879	33,707,756
<b>Total</b>	<b>653,526,030</b>	<b>61,488,586</b>	<b>592,037,444</b>

**28. 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 institute overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

**(i) Credit risk**

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

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

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

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Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Receivables from exchange transactions	26,183,606	26,183,606	-	-
Receivables from non-exchange transactions	13,898,650	13,898,650	-	-
Bank balances	4,462,950	4,462,950	-	-
<b>Total</b>	<b>44,545,206</b>	<b>44,545,206</b>	-	-
<b>At 30 June 202025</b>				
Receivables from exchange transactions	61,261,395	61,261,395	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	11,246,963	11,246,963	-	-
<b>Total</b>	<b>72,508,358</b>	<b>72,508,358</b>	-	-

**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 Institute has significant concentration of credit risk on amounts due from receivables from exchange transactions

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.

**(iii) 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 Institute manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade Payables	1,825,488	59,750	-	1,885,238
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
<b>Total</b>	<b>1,825,488</b>	<b>59,750</b>	-	<b>1,885,238</b>
<b>At 30 June 202025</b>				
Trade Payables	11,211,232	1,364,528	322,360	12,898,120
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
<b>Total</b>	<b>11,211,232</b>	<b>1,364,528</b>	<b>322,360</b>	<b>12,898,120</b>

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**(iii) Market risk**

The Institute has put in place an internal audit function to assist it in assessing the risk faced by the Institute 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.

**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.

**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 Institute capital structure comprises of the following funds:

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	-	
Retained Earnings	55,256,620	62,735,243
Capital Reserve	595,722,130	365,369,879
<b>Total Funds</b>	<b>650,978,750</b>	<b>428,105,122</b>
Total Borrowings	15,654,578	1,885,238
Less: Cash and Bank Balances	11,276,013	4,499,117
Net Debt/(Excess Cash and Cash Equivalents)	4,378,565	- 2,613,879
<b>Gearing</b>	<b>1%</b>	<b>-</b>

## 29. Related Party Balances

### Nature of related party relationships

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

### Government of Kenya

The Government of Kenya is the principal shareholder of the *Mukurweini TTI* holding 100% of the *Institute* 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 directors;

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

Description	FY ended 30th	FY Ended 30th
	June 2025	June 2024
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Purchases from related parties</b>		
Purchases of electricity from kplc	1,728,234	1,341,186
<b>Total</b>	<b>1,728,234</b>	<b>1,341,186</b>
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	32,810,940	14,048,500
Grants from County Government	-	-
Donations in Kind	-	-
<b>Total</b>	<b>32,810,940</b>	<b>14,048,500</b>
<b>c) Expenses incurred on behalf of related parties</b>		
Payments of Salaries and Wages for Employees	19,147,692	17,478,466
Payments for Goods and Services	86,833,097	60,895,599
<b>Total</b>	<b>105,980,789</b>	<b>78,374,065</b>
<b>d) Key Management Compensation</b>		
Directors' emoluments	2,162,982	1,110,900
Compensation to Key Management	-	-
<b>Total</b>	<b>2,162,982</b>	<b>1,110,900</b>

iii. Events After the Reporting Period

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

iv. Ultimate and Holding Entity

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

v. Currency

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

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vi. **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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
Basis for Qualification				
1) Unexplained Variances in Refundable deposits	The financial statements and as disclosed in Note 8 to the financial statements reflects refundable deposits from students totalling Ksh 2,223,500 as refundable deposits resulting to unreconciled and unexplained variance of Ksh. 698,437. In the circumstance, the accuracy of the refundable deposits balance could not be confirmed.	Reconciliation has been done and the correct balance of the refundable deposit has been provided for verification.	Resolved	
2) Doubtful Recoverability of Receivables from Non-Exchange transactions	The financial statement and as disclosed in Note 17 to the financial statements reflects receivables from non-exchange transaction of Kshs. 23,821,150 which relates to capitation receivable from the ministry of Education and the Ministry of Gender and Youth Affairs. However, schedules provided for audit indicated a total amount of Ksh. 9,922,500 was overdue for over three years and Ksh. 13,898,650 was also overdue from	It is true that receivables amounting to 23,821,150 from the NYS and the Government were owing. The NYS receivables were received in the subsequent year	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>the Ministry of Education and Ministry of Gender and Youth affairs as a capitation receivable.</p> <p>In the circumstances, the recoverability of the receivable balance of Ksh. 23,821,150 from non-exchange transactions could not be confirmed.</p>	<p>2024/2025. Receivables from the Ministry of education were not realized</p>		
<b>OTHER MATTER</b>				
<b>Budget Control and Performance</b>	<p>Review of the Institute's approved budget of Ksh. 100,014,103 revealed total expenditure of Ksh. 84,467,011 representing 84% of the budget, resulting to under expenditure of Ksh. 15,547,093(16%). In addition, budgeted revenue was Kshs. 117,143,000 against actual revenue short fall of Kshs. 10,735,034 being 10% of budgeted revenue.</p> <p>In the circumstances, the underperformance and underfunding of the budget affected the planned activities and impacted negatively on service delivery to the public.</p>	<p>The management did not realize the total budgeted revenue because of factors like poor fees payment due to hard economic times. Also, the Government did not remit capitation as expected. So, the committee to advice on this matter</p>	Resolved	
<b>Report On Effectiveness of Internal Control,</b>				

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<b>Risk Management And Governance</b>				
Lack of Information Technology Polity	The College lacks Information Policy to section (165) (1)(b) 158 (1) (b) of Public Finance Management Act 2012 which requires Accounting Officers to ensure their entities develop a system of risk management and internal controls that enhance business operation. In the circumstances, the ICT risk management in the instituon could not be confirmed and therefore Management was in breach of Laws	The management is committed to ensure that an information Technology Policy is in place.	Not Resolved	By December 2025
<b>Report On Lawfulness And Effectives in use of Public Resources</b>				
i)Lack of staff Ethnic Diversity and Gender Balance	The College has a total of thirty-three (33) staff members out of which twenty-six (26) are Male representing 78% and seven (7) females representing 22% in Violation of the constitutional requirements of not less than a third gender balance in Article 27(8). In addition, the audit revealed that out of the total staff composition of thirty-three, twenty-six (26) representing 78% are from the dominant ethnic group in violation of	The management has improved on ethnic inclusion and the current status is 72% dominant tribe against 28% other tribes	Not resolved.	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Section 7 of National Cohesion and Integration Act 2012.</p> <p>In the circumstances, Management was in breach of the law.</p>			
<p>ii) <b>Failure To Update Assets Register</b></p>	<p>The statement of financial position and as disclosed in Note 19 to the financial statements reflects property, plant and equipment. However, review of the fixed asset register revealed that the new acquisitions were not updated contrary to Section 143 of the Public Finance Management (National Government) Regulations, 2015, that requires every accounting officer to maintain an updated register of all assets under their control or possession.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>Failure to update the assets register was an oversight. The management is committed to implement the audit recommendations and ensure that the Assets register is updated promptly to avoid loss of institution assets. The management will have updated in the asset register in the Financial year 2024/2025</p>	<p>Resolved</p>	
<p>iii). Lack of Imprest register</p>	<p>The financial statements and as disclosed in Note 9 reflects Kshs. 60,895,599 in respect to use of goods and services. However, included in this amount was Kshs. 4,300,495</p>	<p>The management has already procured an imprest register</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>that was spent on travelling and accommodation without being accounted for in the imprest register contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) which provides that the imprest applicant should be recorded in the imprest register including the amount applied for.</p> <p>In the circumstances, Management was in breach of the law</p>	<p>from the Government Printers. Hence going forward all Local Travelling and accommodation imprest will be recorded in the imprest register. The imprests were however, well accounted for.</p>		

Name  
**Samuel Mwangi**  
 (Principal/Secretary BOG)  
 Date ..... 21/11/2025 .....

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**Appendix III- Inter-Institute Confirmation Letter**

Name of transferring Institute **Ministry of Education- State Department for TVET**

Name of beneficiary Institute **Mukurweini Technical Training Institute**

Confirmation of amounts received by Mukurweini Technical Training Institute as at 30 <sup>th</sup> June 2025					
Reference Number	Date Disbursed	Recurrent (A) Ksh.	Development (B) ) Ksh.	Total (C)=(A+B) ) Ksh.	Remarks
BULK242646P3	Scholarship	718,750		718,750	
BULK24264Y687J	Scholarship	147,643		147,643	
BULK2426422QGC	Scholarship	2,471,980		2,471,980	
BULK24264B9FPBX	Scholarship	6,153,937		6,153,937	
BULK24264DKLMC	Capitation	5,477,025		5,477,025	
BULK2426767R5X	Scholarship	2,142,754		2,142,754	
BULK24267HBW32	Scholarship	3,302,425		3,302,425	
BULK250458Z6PX	Capitation	7,396,425		7,396,425	
BULK25168KQH9T	Recurrent Grant	5,000,000		5,000,000	
	<b>Total</b>	<b>32,810,940</b>		<b>32,810,940</b>	
Total					

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

**Head of Accounts Department - Disbursing Entity:**  
Name Sign ..... Date .....

**Head of Accounts Department - Beneficiary Entity:**  
Name Mary K Kiugu. Sign [Signature] Date 21/11/25