

REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL
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REPORT

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OF DATE: 25 FEB 2026 DAY: Wednesday

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CLERK-AT-THE-TABLE: Irene Nduku

THE AUDITOR-GENERAL

ON

TSEIKURU NATIONAL POLYTECHNIC

FOR THE YEAR ENDED
30 JUNE, 2025

Revised 30th June 2025



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

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

Tseikuru National Polytechnic
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
TTC	Teacher Training College
TVC	Technical Vocational College

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Tseikuru National Polytechnic is a Public Technical and Vocational Education and Training (TVET) Institution established in 2016 as a Technical Training Institute and centre of excellence in the automotive Engineering. The Institute was elevated to National Polytechnic status through the legal notice No. 9 and Tseikuru National Polytechnic Order 2024 of 18th January 2024.

The Polytechnic provides training in various disciplines including Mechanical & Automotive Engineering, Electrical & Electronics Engineering, Business Studies, Liberal Studies, Building & Civil Engineering, Hospitality & Institutional Management, Computing & Informatics, Fashion Design & Cosmetology and Agriculture Departments. The entity is domiciled in Kenya. The Polytechnic is under the Ministry of Education State department for Technical and Vocational Training.

(b) Principal Activities

Mandate

Provide Technical, Vocational Education and Entrepreneurship Training geared towards Self-Reliance to meet the Labour Market needs.

Vision Statement

A Centre of Excellence in technological training and innovation.

Mission Statement

To offer world class quality and relevant technological training that develops talents, skills attitudes and nurtures creativity in partnership with industry

Core values

- Customer satisfaction
- Courtesy and confidentiality
- Quality Service Delivery
- Teamwork and collaboration
- Honesty and Integrity
- Professionalism
- Innovation and creativity

Polytechnic Motto

Quality training for skills acquisition

Objectives

- To enhance access and equity in Technical Vocational Education and Training (TVET)
- To promote institutional corporate governance
- To enhance skills and expertise in Technical Vocational Education and Training (TVET) courses
- To Create collaborations and linkages with labour markets and partners

- To promote optimistic attitude towards science, technical and research

(c) Key Management

The Polytechnic Day-day management is under the following key organs:

- The principal
- Deputy principal-administration
- Deputy principal-academic
- Registrar-administration
- Registrar-academic
- Dean of students
- Finance officer

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Naftal Omwamba
2.	Deputy Principal-Administration	Meshach Mwithui Munyithya
3	Deputy principal-Academic	Cyrus Kamau
3	Registrar administration	Mary Miti
4	Registrar academics	Mercy Mwanza
5	Dean of Students	Moffat Kiriimi Kiruja
6	Head of Finance	Joel K Zakayo

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Finance committee of the Council

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

Terms of Reference

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

- To monitor and facilitate the implementation of the Polytechnic's strategy with regard to financial matters.
- To receive reports from the Principal and the Finance Officer.
- To monitor implementation of the strategy for the Polytechnic estate.
- To receive reports of the extent and condition of the Polytechnic estate including the efficiency of space utilisation, the consumption of energy and the adequacy of property insurance arrangements.
- To consider the adequacy of the Polytechnic estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- To determine the fees and charges made for Polytechnic services and facilities.
- To supervise the financial administration of the Polytechnic and make recommendations to Governing council where appropriate.
- To supervise the arrangements for safeguarding the Polytechnic's assets.
- To ensure the proper financial evaluation and control of projects.
- To supervise the arrangements for investing the Polytechnic's funds, including monitoring the performance of investments.
- To ensure the appropriate exploitation of the Polytechnic's intellectual property.
- To make recommendations to Governing council on the financing of projects.
- To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Polytechnic.
- To supervise the Polytechnic's purchasing procedures and practices.
- To submit an annual statement on its activities to Governing council.
- To keep under review, the activities of the Polytechnic's various department

Academic committee activities

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

- To satisfy itself regarding the content and academic standard of any course of study in respect of any diploma, certificate or other award and to report its findings thereon to the Board.
- To propose regulation for consideration by the Board regarding the eligibility of persons for admission to a course of study,

- To propose regulations for consideration by the Board regarding the standard of proficiency to be gained in each examination for a Diploma, certificate or other award.
 - a. To approve programs of study, regulate admission of persons to TSKNP and determine their continuance or discontinuation in such programs.
 - b. To determine the Academic policy of TSKNP and to advise the Board on the provision of facilities to carry out that policy,
 - c. To direct and regulate the teaching and instruction within the Polytechnic subject to the powers of the Board.

Management Committee Activities

The main purpose of the Senior Management Team is to:

- Ensure that TSKNP Governing council is able to take strategic decisions relating to TSKNP activities
- Provide leadership in communicating TSKNP mission, values, plans and achievements effectively and consistently to Governing Council Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- Be accountable for the development and implementation of TSKNP strategic, corporate and business plans in line with the mission and values;
- Take a strategic overview of performance in all areas of TSKNP activities.
 - Specifically, the Senior Management Team:
- Makes recommendations to the board on the implementation and achievement of the Governing council' Strategic Framework;
- Agrees TSKNP Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Governing council as appropriate.
- In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of TSKNP, making recommendations as appropriate to the Governing council and/or its relevant Committees;
- Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organisation and regularly reviewing the corporate risk register;
- Oversees and monitors TSKNP joint work with the other stakeholders
- Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Governing council and/or its relevant Committees.
- Leads all senior managers in motivating and developing TSKNP staff to deliver the highest standards of performance and customer service.

Audit Committee

The activities of the Audit Committee include:

- **Governance initiatives:**
 - Review and provide oversight on governance initiatives established by the Council and maintained by the organization.
- **Risk management:**
 - Review and provide oversight on the establishment, implementation, maintenance, and effectiveness of risk assessment, risk management, and risk reporting practices.
- **Internal control framework:**
 - Review and provide oversight on the organization's internal control framework. Keep informed on all significant matters arising from work performed by any governance, risk, and control assurance providers.
- **Audit activity:**
 - Approve and periodically review the organizational audit policy. Review and approve an internal audit plan. The audit plan should be risk-based and supported by appropriate risk assessments.
- **Follow up on management action plans:**
 - The audit committee shall review regular reports on implementation status of approved management action plans resulting from prior internal audit recommendations.
- **Financial statements and public accountability reporting:**
 - The audit committee shall review and provide advice to the Council on the key financial management and performance reports and disclosures issued to the public.

Government oversight activities

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

The audit of the Instructional activities is undertaken by the Office of the Auditor general.

(f) Entity Headquarters

P.O. Box 753-90400
Tseikuru National Polytechnic Building
Mwingi-Kandwia-Usueni Road
Mwingi, Kenya

(g) Entity Contacts

TSEIKURU NATIONAL POLYTECHNIC
P.O. Box 753-90400

Mwingi, Kenya
Telephone: 0714153024
E-mail: tseikurutti.tsk@gmail.com

(h) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

KCB –Kyuso Branch
A/C NO: 1177500035
: 1178879798


(i) Independent Auditors


Auditor General
Office of Auditor General
Anniversary Towers, Polytechnic 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



3.The Council of Governors

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	<p>Mulaimu Mavusyu</p>  <p>Qualifications Bachelor of Commerce</p>	<p>D.O.B:1962</p> <p>Academic Qualifications.</p> <p>1986 - Bachelor of Commerce</p> <p>Work Experience</p> <p>Jan 2019-Feb 2022 - Director of Internal Audit - Narok County</p> <p>Sept 2017- Jan 2019 - Chief Revenue Officer</p> <p>Feb 2015- Feb 2017 - Head of Internal Audit -Narok County</p> <p>June 2014- Dec 2014 - Commercial Director and Consultant- Smart Logistic Solution Ltd</p> <p>May 2013- April 2014 - Consultant-Mamba Group of Hotels</p> <p>2011-2012 - Accountant and Administrator-Scott Christian University (Former Scott Theological College).</p> <p>2003 – 2007 - Chief Accountant/Head of Accounting Unit, Pensions Department –Ministry of Finance (Gok.</p> <p>1993 – 2003 - District Accountant/Head of Accounting Units – Kwale, Kiambu and Nyeri.</p> <p>1987 – 1993 - District Treasury - In Garissa And Machakos</p>


2.	<p>Naftal Onderi Omwamba</p>  <p>Qualifications Bachelor of Education-Technology (Electrical & Electronics)</p>	<p>Date of Birth:1983</p> <p>Academic Qualifications April 2002-Dec 2006 : Moi University : Undergraduate in Bed (Technology Education-Electrical & Electronics) : Second class honors (Upper Division). January 2000-Nov 2000: Ramoya Hills Secondary School: Mean Grade (B-Plain) January 1996-Nov.1999: Nyabigena Secondary School.: Mean Grade (B-Minus)</p> <p>Skills Acquired 25th nov.2019-20th Dec. 2019. : Kenya School of government (Embu campus): Senior management training course. 13th Aug.2018-24th Aug.2018: : Centurion Systems Engineering Training Centre-Nairobi. : Instrumentation & control (pneumatic & Drives) 9th April 2018-20th April 2018: : Centurion systems Engineering Training Centre-Nairobi : Instrumentation & control (PLC & Instrumentation and calibration) 9th May 2018-11th May 2018: : Instrumentation & control : Simple Automation & Control Inspector. 6th Sep 2016-10th Sep 2016. : The Nyeri National Polytechnic : (TVET CDACC) Competency based Education & Training (CBET) Training.</p> <p>Work Experience March 2025 to Date : Principal Tseikuru National Polytechnic August 2023 to March 2025;Deputy principal Ndaragwa Technical & Vocational College.</p>

		<p>April 2009 to August 2023. : Lecturer The Nyeri National Polytechnic Jan 2008 –April 2009 : Teacher Koelel Boys High School Secretary to the Council</p>
3.	<p>Charles Gitau Mwaniki</p>  <p>Qualifications Masters in Educational Planning, Management & Administration</p>	<p>Date of Birth: 17th JULY 1958.</p> <p>Academic Qualifications.</p> <ul style="list-style-type: none"> ▪ Masters in Educational Planning, Management & Administration at Mount Kenya University (Kenya) 2016. ▪ Bachelor of Education (ARTS): University of Nairobi (Kenya) 1981 <p>Work Experience</p> <ul style="list-style-type: none"> • UNESCO-IIIEP-Consultant • Ministry of Education-Senior assistant director of education, Assistant director quality assurance • Teacher training college(Kigari&Muranga)- Principal lecturer • Secondary Schools-D/Principal -Member of the finance & resource mobilization committee
4.	<p>Idah Silas Mkavale</p>	<p>Date of Birth: 23rd December, 1969 . Academic Qualification</p> <ul style="list-style-type: none"> ▪ PhD- Sustainable Development (Development Studies)-Masinde Muliro University of Science & Technology-2017



	 <p>Qualifications PhD- Sustainable Development (Development Studies)-</p>	<ul style="list-style-type: none"> ▪ Masters-Sociology (Development Studies), University of Nairobi -2007 ▪ Bachelor’s Degree in Fine Art and Design Education-Kenyatta University-1991 <p>Work Experience</p> <p>December 2017-December 2021, Lead Consultant - Critical Path Kenya Ltd</p> <p>April 2013-December 2017, Economic Advisor - County Government of Vihiga</p> <p>2010-2013, County Project Coordinator (CPC) - World Bank/Kenya Government</p> <p>2008-2010, Community Driven Development Officer - World Bank/Kenya Government</p> <p>-Chairman of the risk & audit committee</p>
5.	<p>Willy Rotich</p>  <p>Qualifications MBA-Operations Management</p>	<p>D.O.B.09/09/1973</p> <p>QUALIFICATIONS MBA-Operations Management B.E.D-Tour PMU Dip in Technical Education</p> <p>EXPERIENCE Lecturer Eldoret Polytechnic-9years Business main Consultancy to date</p> <p>-Chairman of the finance & resource mobilization committee</p>
6.	<p>Michael Mwinzi Mwendwa</p> 	<p>D.O.B:1979</p> <p>Academic Qualifications.</p> <ul style="list-style-type: none"> ▪ Msc in Procurement and Contract – Jomo Kenyatta University of Agriculture and Technology 2 – 2015 -2019 ▪ Bachelor of Arts (Building Economics) University of Nairobi (Kenya) 1999 -2003




	<p>Qualifications Msc in Procurement and Contract</p>	<p>Work Experience 2015 – to date - Assistant Director, Metropolitan Social Infrastructure – Housing and Urban Department. 2013 – 2015 – Ministry of Lands, Housing and Urban Development. 2005 = 2013 – Ministry of Local Government – Urban Development Department -Member of finance & resource mobilization committee</p>
<p>7.</p>	<p>Mrs. Christina Wayua Mwanzia.</p>  <p>Qualifications Bachelor of Education ARTS</p>	<p>D.O.B.6th April, 1962 Academic Qualifications.</p> <ul style="list-style-type: none"> ▪ Bachelor of Education ARTS <p>Work Experience 1995-2008 Principal, Kimangao Girls Secondary School 2009-2020 Chief Principal, Thitani Girls Secondary School.</p> <p>-Chairman of the academic & human resource committee. -Member of the risk & audit committee</p>
<p>8.</p>	<p>Josephine Ayienda</p>  <p>Qualifications Master of Science Distributed Computing and Technology (Cyber Security)</p>	<p>D.O.B: 23-6-1991 Qualifications</p> <ul style="list-style-type: none"> - Master of Science Distributed Computing and Technology (Cyber Security) - Bachelor of Science Software Engineering <p>Work experience -Lixnet Technologies-Project manager -Member of the finance & resource mobilisation committee</p>



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9.	<p>Gichuru Mutulili</p>  <p>Qualifications Master's in Business Administration</p>	<p>D.O.B.1966</p> <p>Qualifications</p> <ul style="list-style-type: none"> -Master's in Business Administration -Management Information System -B.Ed-Arts <p>- County Director &PS SD-VTT Representative</p>

4. Key Management Team

1. PASSPORT, NAME & QUALIFICATION	DESIGNATION
<p>MR. NAFTAL O. OMWAMBA</p>  <p>Qualifications Bachelor of Education-Technology (Electrical & Electronics)</p>	<p>PRINCIPAL</p>
<p>2. MR. MESHACH MUNYITHYA</p>  <p>Qualifications Bachelor of Education-Technology (electrical & electronics)</p>	<p>D/PRINCIPAL ADMINISTRATION</p>

<p>3.CYRUS KAMAU</p>  <p>Qualifications Bachelor of Technology(Electrical & electronic engineering)</p>	<p>D/PRINCIPAL ACADEMIC</p>
<p>4.MARY MITI NJUGUNA</p>  <p>Qualifications -Masters in information science-in progress -Bachelors in library and information science -Diploma in technical trainer education</p>	<p>REGISTRAR- ADMINSTRATION</p>
<p>5.MERCY M MWANZA</p>  <p>Qualifications -Masters in statistics-in progress -Bachelors in mathematics & computer science -Diploma in technical trainer education</p>	<p>REGISTRAR-ACADEMICS</p>

<p>6.MR. MOFFAT KIRIMI KIRUJA</p>  <p>Qualifications. Bachelor of Science (computer science) Diploma in Technical Education (Computer science)</p>	<p>DEAN OF STUDENTS</p>
<p>7.MR. JOEL KYATHA ZAKAYO</p>  <p>Qualifications CPA(K) Bachelor of Commerce</p>	<p>FINANCE OFFICER</p>

5. Chairman's Statement

Tseikuru National Polytechnic was established as a TVET Institution in 2016 and was later elevated to national polytechnic early 2024. The aim was to offer technical courses to Form Four leavers. The institute offers business and technical courses. It is managed by a Governing Council and the government provides lecturers in the various fields of study.

It has been noted that the expected growth in students' enrolment at Tseikuru National Polytechnic, and with regard to the national/global trends in education, research and technology the founders' vision has not been realized.

This Council is inaugural being the 3rd after the Institute was opened. I appreciate the financial support given by the Government in the form of recurrent and development grants that has seen us achieve some notable development.

In 2024/25 the Council was able enhance development in the area of infrastructure, it started with the construction of the ladies' hostels which was in progress as at 30th June 2025.

However, the government financial support is declined thus making the operations difficult. The Institute is in a semi-arid zone making the provisions of services quite difficult. We are struggling with the challenges of water and accommodation.

As per our Strategic Plan Tseikuru National Polytechnic is determined to become a centre of excellence in TVET training in the Lower Eastern and beyond

6. Report of the Chief Principal

Tseikuru National Polytechnic began operating in January 2016 as a technical training institute and later elevated into a national polytechnic early 2024.

We have tried our best to objectively align our core functions and objectives so that we become an integral part of the whole nation in realization of Vision 2030.

Our vision 'to be a centre for excellence in technology and Research in Kenya and beyond' is our driving force to spur skills into economic competitiveness and as one of our pillars in the vision 2030.

In recognition of the important role that TSKNP plays in the Lower Eastern Region and beyond, we have set out our strategic plan aimed at providing competent craftsmen and technicians for the industry and self-employment. It's our obligation to have an impact in solving our social-economic and environmental challenges by applying science and technology.

For a long time TVET institutions have had their books of accounts audited by the Kenya schools audit department until June 2019 when a circular from the Ministry instructed that the work would be taken over by the office of the auditor general. As an institution, we have tried our best to comply 100% with the office of the auditor general requirements.

It is our vision that through maximum utilization of school fees, production units, Government grants and other funds from development partners, we shall greatly improve the institute's infrastructure and human capacity. This will facilitate tremendous expansion for more programs.

It is our vision that TSK NP is going to become a Technical University in the future.

7. Statement of Performance against Predetermined Objectives

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

Tseikuru National Polytechnic has *three* strategic pillars and objectives within its Strategic Plan for the FY 20/21- 24/25. These strategic pillars are as follows:

- Pillar 1: Access and equity
- Pillar 2: Corporate governance
- Pillar 3: Public, Private partnerships

Tseikuru National Polytechnic develops its annual work plans based on the above *three* pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The *Polytechnic* achieved its performance targets set for the FY 24/25 period for its three strategic pillars, as indicated in the diagram below:

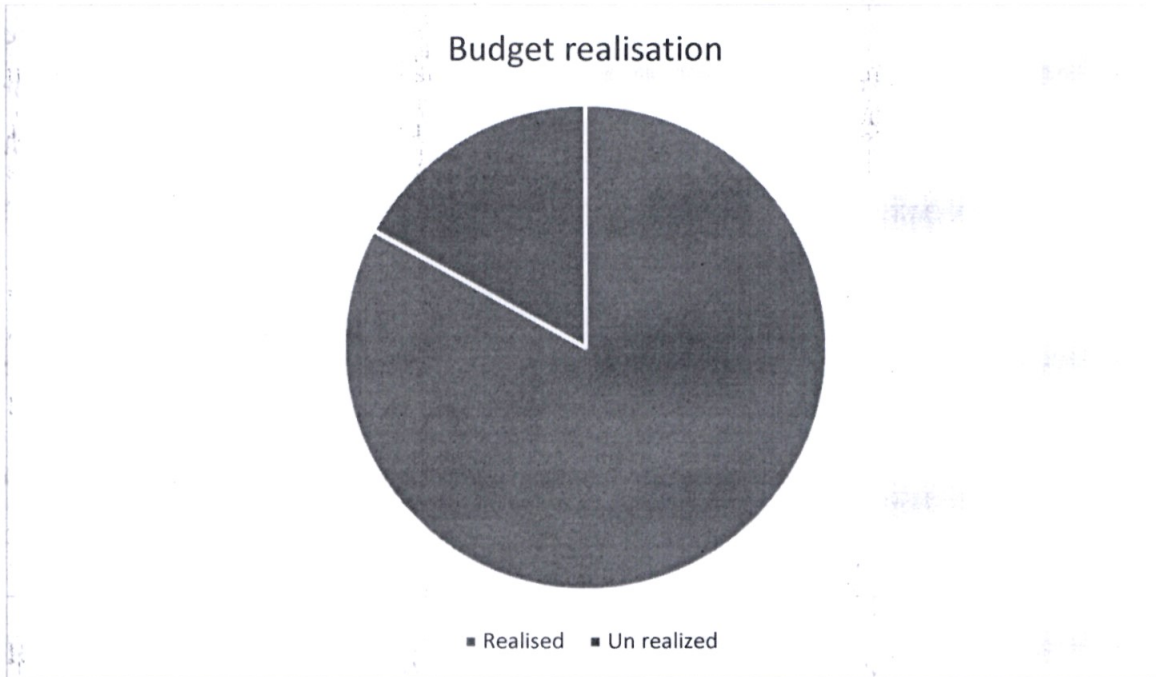
Strategic Pillar		Objective	Key Performance Indicators	Activities	Achievements
Pillar 1:	Access and equity	To promote access and equity with focus to youth, women and PLWDS	<ul style="list-style-type: none"> • Access to loans, bursaries and sponsorships • Application of modern techniques in teaching 	<ul style="list-style-type: none"> • Increase access to relevant TVET education • Enhance quality of curriculum delivery 	<ul style="list-style-type: none"> • Increased access to TVET programs • Improved training methods
Pillar 2:	Corporate governance	To enhance inclusivity in institutional corporate governance	<ul style="list-style-type: none"> • Involvement of both COUNCIL and management in key 	<ul style="list-style-type: none"> • Provide leadership in making key strategic decisions 	<ul style="list-style-type: none"> • Prudent results

			decision-making process		
Pillar 3:	Public, private partnerships	To encourage collaboration and linkages with County Government and stakeholders	<ul style="list-style-type: none"> • Lobby for bursaries from the county government kit • Create opportunities for provision of products and services mutual to all players. 	<ul style="list-style-type: none"> • Collaborate with County Government in ensuring that youth access TVET. • Partner with industry on areas of research, job absorption and attachments 	<ul style="list-style-type: none"> • Higher access to TVET • Efficient trainers equipped with skills

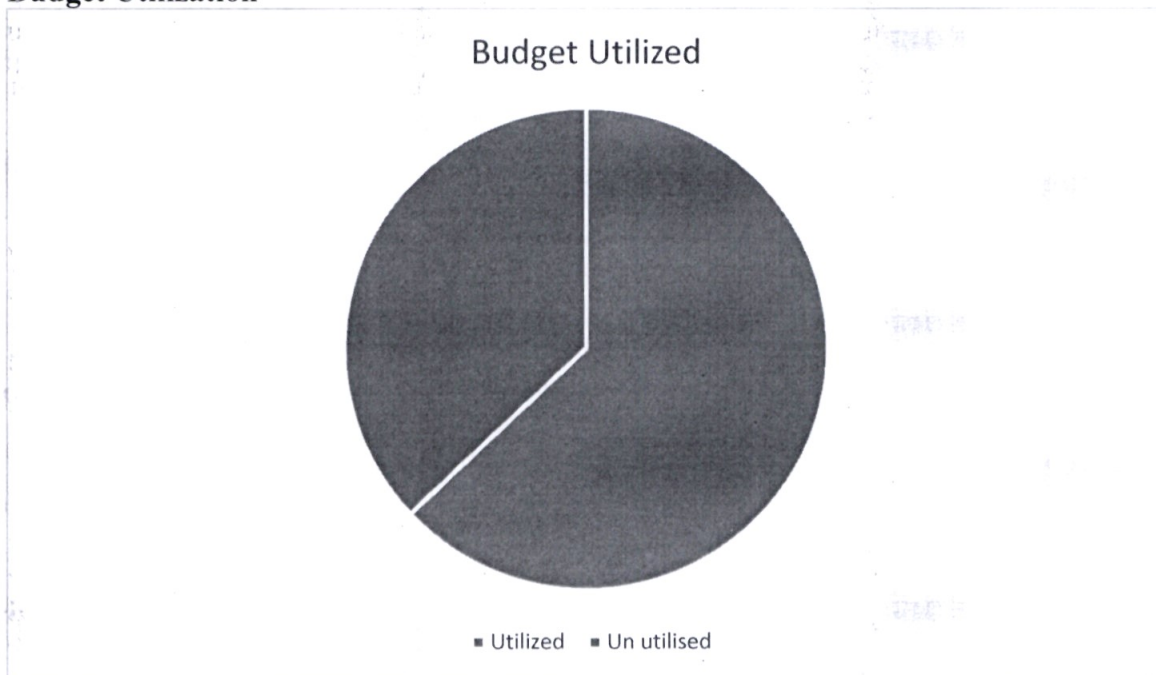
Budget Achievement

Tseikuru National Polytechnic had a budget of **kshs 82,715,980** in F/Y 2024/25. The institute managed to realise **kshs 68,457,215** which translate to **83%** of the total budget. The institute spends **kshs 52,188,868** of the realised amounts which translates to approximately 63% of the budget amount.

Realization of budget



Budget Utilization



8. Corporate Governance Statement

i. Appointment of council members

The Cabinet Secretary, MOE appoints members of the Council following proposals from the principal of the institute. The Council consists of nine members. The Boards of Governors for **Tseikuru National Polytechnic** serves for three years. The Council may set up such committees and assign such responsibilities as it may deem fit.

ii. Role and Functions of Governing Council

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

- a) Overseeing the conduct of education and training in the institutions in accordance with the provisions of this TVET Act and any other written law;
- b) Promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this TVET Act and any other written law;
- c) Administering and managing the property of the institution;
- d) Developing and implementing the institutions' strategic plan;
- e) Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
- f) Receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act; 855 2013 Technical and Vocational Education and Training No. 29
- h) Mobilizing resources for the institutions;
- i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- j) Regulating the admission and exclusion of students from the institutions, subject to a qualification's framework and the provisions of this Act;
- k) Approving collaboration or association with other institutions and industries in and outside Kenya
- l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;

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

iii. Governing Council Allowances

The institute gives sitting allowances to Councilmembers to cater for their transport.

iv. Meetings

- a. Full Council meetings - are held once every term and
- b. board committee meetings- once every term

v. Number of Councilmembers

During the period under audit, the institute had nine Councilmembers inclusive of the principal who is secretary to the board.

9. Management Discussion and Analysis

i) Operational Performance;

Management has worked hard to make living of the students in the institute easy by working so hard to see if they can get more hostels for both ladies and men.

ii) Financial Performance

The entity is fairly stable financially. It operates on fees received from students, G.O.K capitation, NYS, Government Scholarships and HELB Funds.

iii) Institute's compliance with statutory requirements

The tseikuru national polytechnic complies to deductions and remittance of statutory deductions such as NHIF, NSSF and PAYE.

Major risks facing the entity

The polytechnic major risks are mainly related to its core business which is training and human resource development. Some of the identified risks includes,

- Student turnover
- Delayed disbursements of capitations, Helb Loans & Scholarships
- Staff turnover due to in ability to retain them
- In adequate student accommodation and support facilities
- Low students' enrolments

Key projects and investments decisions the entity has implemented/ongoing

- Construction of hostel

10. Environmental and Sustainability Reporting Statement

Tseikuru National Polytechnic exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on three pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

a) Sustainability strategy and profile -

Economic sustainability embraces general aspects of an organisation that have to be respected. The use of such generic aspects seems meaningful, as good results in these aspects are likely to lead to good financial and sustainability results of the institute. The management of the institute has developed the following sustainability strategies:

- Innovation and Technology
- Collaboration-good cooperation and collaboration with other institutions, county government and other stakeholders.
- Sustainability reporting. -the institute reports sustainability issues within the institute's report separately or incorporated in the integrated institutes report

b) Environmental performance

The environmental impact of an organization is an important factor in evaluation of a given corporate's level of social responsibility. Deficiency in public awareness of the importance of the environment is the main causes of the low social responsibility among the institution.

The environmental performance of food firm exerts influence on the corporate social responsibility.

c) Employee welfare

Tseikuru National Polytechnic Seeks to improve the welfare of its employees through:

- Increased organisational citizenship behaviours and improved employee relationships
- Enhanced employee identification with the organization
- Improved retention and organizational commitment
- More attractive institution culture to prospective employees
- Better employee engagement and performance
- Increased creativity

Tseikuru National Polytechnic is an equal employer were all the applicants have equal chances of been employed irrespective of their gender, tribe or religion. The institutes ensure gender ratio

any time recruitment is taking place. There is a standardised appraisal and rewarding system which applies to all employees within the institute.

Tseikuru National Polytechnic discloses its safety policy and compliance with occupational safety and healthy Acts of 2007, (OSHA)

d) Market place practices-

Tseikuru National Polytechnic maintains corporate social responsibility in the market place practices through: -

The institute and the suppliers take responsibility to do no harm to the environment, to reduce waste and pollution as well as complying with the government regulations. In order to stay away in the competition, the institute determines its strategies and plan their relevant activities

e) Corporate Social Responsibility /Community Engagements-

Tseikuru National Polytechnic seeks and maintain important links with the community. The institute combine with the public, business and civil constituencies who engage in voluntary, mutual beneficial, innovative relationships to address common societal aims through combining their resources and competencies.

Tseikuru National Polytechnic engage in community developments as follows;

- Training of community professionals in computer support and maintenance
- Students performs voluntary projects during vacations to the community where they share experiences, knowledge and sustainable practices within the community.
- Students support vulnerable communities in the development and improvement of their housing spaces
- Implementation of a community engagement programme to empower jobless youth

11. Report of the Governing Council

The Council members submit their report together with the audited financial statements for the year ended June 30, 2025 which shows the state of the *polytechnic's* affairs.

Principal activities

The core mandate of the Institute is providing knowledge and skills to the people of the larger KITUI County and beyond.

The Mandate of **Tseikuru National Polytechnic** is to train, impart skills, knowledge and institutionalize effective research and development geared towards production of competent graduates who will contribute to high and sustainable social-economic development.

Results

The results of the entity for the year ended June 30th 2025 are set out on Page 1-5

Governing Council

The members of the Council who served during the year are shown on pages (vii) to (xviii).

Auditors

The Auditor General is responsible for the statutory audit of **Tseikuru National Polytechnic** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.



.....
Secretary of the Governing Council
Mwingi
Date:06.11.2025

12. Statement of the Governing Council's Responsibilities

The Council members are responsible for the preparation and presentation of **Tseikuru National Polytechnic** financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year (period) ended on June 30, 2025. The council 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 institute;
- iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv) Safe guarding the assets of the *Institute*;
- v) Selecting and applying appropriate accounting policies; and
- vi) Making accounting estimates that are reasonable in the circumstances.

The council members accept responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *the TVET Act 2013*). The council members are of the opinion that the *institute's* financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2025, and of the *institute's* financial position as at that date. The Councilmembers further confirm the completeness of the accounting records maintained for the *institute*, which have been relied upon in the preparation of the *institute's* financial statements as well as the adequacy of the systems of internal financial control.

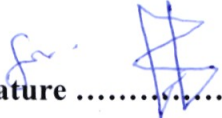
Nothing has come to the attention of the Councilmembers to indicate that the *institute* will not remain a going concern for at least the next twelve months from the date of this statement.

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

Approval of the financial statements

The *entity's* financial statements were approved by the Council on **6th November 2025** and signed on its behalf by:

Name: Mulaimu Mavusyu

Signature


Chairperson of the Council

Name: Teresia Musiva

Signature


Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON TSEIKURU NATIONAL POLYTECHNIC FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Tseikuru National Polytechnic set out on pages 1 to 60, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of cash flows, statement of changes in net assets 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 Tseikuru National Polytechnic 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

Unconfirmed Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.381,592,821 as disclosed in Note 32 to the financial statements. Included in the balance is Kshs.4,457,074 in respect to land whose valuation report and ownership documents were not provided for audit review. Further, the Polytechnic did not maintain an updated fixed assets register and assets were not tagged for ease of identification.

In the circumstances, the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.381,592,821 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.82,715,980 and Kshs.68,457,215 respectively resulting to underfunding of Kshs.14,258,765 or approximately 17% of the budget. Similarly, the Polytechnic expended Kshs.51,007,503 against actual receipts of Kshs.68,457,215 resulting to under-absorption of Kshs.17,449,712 or approximately 25% of the actual receipts.

The underfunding and under-absorption 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 other key audit matters to communicate in my report.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of employees of the Polytechnic was thirty-five (35) out of which twenty-six (26) or approximately 74% of the total number were members of the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the employment of

staff and that no public Institution shall have more than one-third of its staff establishment from the same ethnic community”.

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, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Internal Audit Function and Ineffective Audit Committee

The Polytechnic has not established an internal audit function and an effective Audit Committee of the Board. Review of the Board composition revealed that the College has a Risk and Audit Committee. However, the Committee did not hold any meeting during the year and there was no internal audit report provided for audit review. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of an internal audit function and an Audit Committee of the Board. As such the Polytechnic did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

In the circumstances, the effectiveness of internal controls and risk management measures put in place could not be confirmed.

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

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

Those charged with governance are responsible for overseeing the Polytechnic'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

01 December, 2025

Tseikuru National Polytechnic
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 2024/25	FY 2023/24
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	7,091,008	12,645,770
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
		7,091,008	
Revenue from Exchange transactions			
Rendering of services- fees from students	10	61,162,207	27,869,464
Sale of goods	11	-	-
Rental revenue from facilities and equipment	12	204,000	204,000
Finance income	13		-
Miscellaneous income	14	-	-
Revenue from Exchange transactions		61,366,207	28,073,464
Total Revenue		68,457,215	40,719,234
Expenses			
Use of goods and services	15	39,897,360	24,526,972
Employee costs	16	7,857,727	6,424,069
Council Expenses	17	1,050,100	1,329,650
Depreciation and amortization expense	18	16,268,347	17,390,778
Repairs and maintenance	19	3,215,356	1,599,073
Contracted services	20	-	-
Grants and subsidies	21	-	-
Finance costs	22	36,010	31,223
Total Expenses		68,324,900	51,301,765
Other Gains/(Losses)			
Gain on sale of assets	23	-	-
Gain/ Loss on fair value of investments	24	-	-
Impairment loss	25	-	-
Total Other Gains/(Losses)			
Net surplus/(deficit) for the year		132,315	(10,582,531)

(The notes set out on pages 9 to 59 form an integral part of the Annual Financial Statements).

Tseikuru National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2025

The Financial Statements set out on pages 1 to 8 were signed by:



.....

Chairman of Council

Date:06.11.2025



.....

Principal

Date:06.11.2025



.....

Finance Officer

ICPAK No 26036

Date:06.11.2025

Tseikuru National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2025

15. Statement of Financial Position as at 30th June 2025

Description	Notes	FY 2024/25	FY 2023/24
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	19,897,494	5,350,116
Current portion of receivables from exchange transactions	27(a)	50,924,864	8,131,694
Receivables from non-exchange transactions	28	-	2,071,000
Inventories	29	340,200	264,345
Investments in financial assets	30	-	-
Prepayments	31	-	-
Total Current Assets		71,162,558	15,817,155
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	-	-
Investments	30	-	-
Property, plant, and equipment	32	381,592,821	396,449,638
Intangible assets	33	3,017,290	3,771,622
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-Current Assets		384,610,111	400,221,260
Total Assets (A)		455,772,669	416,038,415
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36	18,340,324	1,820,577
Refundable deposits from customers	37	-	-
Current provisions	38	-	-
Finance lease obligation	39	-	-
Deferred income-mentee funds	40	11,472,414	-
Employee benefit obligation	41	-	-
Payments received in advance	42	-	-
Current portion of borrowings	43	-	-
Social Benefits	46	-	-

Tseikuru National Polytechnic

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

Description	Notes	FY 2024/25	FY 2023/24
		Kshs	Kshs
Total Current Liabilities		29,812,738	1,820,577
Non-Current Liabilities			
Finance lease obligation	39	-	-
Deferred income	40	-	-
Non-Current Employee Benefit Obligation	41	-	-
Non- Current Borrowings	43	-	-
Non-Current Provisions	44	-	-
Service Concession Liability	45	-	-
Social benefits	46	-	-
Total non- current liabilities		-	-
Total Liabilities (B)		29,812,738	1,820,577
Net Assets (A-B)		425,959,931	414,217,838
Represented By:			
Revaluation Reserves		466,467,688	454,857,910
Accumulated Surplus		(40,507,757)	(40,640,072)
Capital Fund		-	-
Net Assets		425,959,931	414,217,838

The Financial Statements set out on pages 1 to 8 were signed by:


.....

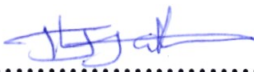
Chairman of Council

Date 06.11.2025


.....

Principal

Date 06.11.2025


.....

Finance Officer

ICPAK No 26036

Date 06.11.2025

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

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	409,676,345	(30,057,541)	-	379,618,804
Revaluation gain	45,181,565	-	-	45,181,565
Surplus/(deficit) for the year	-	(10,582,531)	-	(10,582,531)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	454,857,910	(40,640,072)	-	414,217,838
At July 1, 2024	454,857,910	(40,640,072)	-	414,217,838
Revaluation gain	11,609,778	-	-	11,609,778
Surplus/(deficit) for the year	-	132,315	-	132,315
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2025	466,467,688	(40,507,757)	-	425,959,931

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.

Tseikuru National Polytechnic
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description		FY 2024/25	FY 2023/24
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6(ii)	7,091,008	6,512,638
Grants from donors and development partners		-	-
Transfers from other levels of government-mentee		11,472,414	-
Public contributions and donations		-	-
Rendering of services- fees from students	10(ii)	30,366,049	29,275,262
Sale of goods		-	-
Rental revenue from facilities and equipment	12	204,000	204,000
Finance income		-	-
Miscellaneous income		-	-
Total Receipts		49,133,471	35,991,900
Payments			
Use of goods and services	15	23,178,038	21,512,118
Employee costs	16	7,149,267	6,424,069
Council Expenses	17	1,050,100	1,329,650
Repairs and maintenance	19	2,302,874	1,593,033
Finance costs	22	36,010	31,223
Contracted services		-	-
Grants and subsidies		-	-
Total Payments		33,716,289	30,890,093
Net Cash Flows from operating activities	47	15,417,182	5,101,807
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(869,804)	(2,326,140)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities			
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		14,547,378	2,775,667
Cash and Cash equivalents at 1 JULY	26	5,350,116	2,574,449
Cash and Cash equivalents at 30 JUNE	26	19,897,494	5,350,116

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	B	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	-	-	-	-	-
Receipts						
Transfers from other National Government entities	2,000,000	-	2,000,000	7,091,008	(5,091,008)	100%
Grants from donors and development partners				-		
Transfers from other levels of government				-		
Public contributions and donations						
Rendering of services- fees from students	44,505,510		79,455,980	61,162,207	18,293,773	77%
Sale of goods				-	-	-
Rental revenue from facilities and equipment				204,000		100%
Finance income				-		
Miscellaneous Income	1,200,000		1,260,000	-	-	-
Total Receipts	47,765,510		82,715,980	68,457,215		
Payments						
Use of goods and services	26,906,591		42,378,267	39,897,360	2,480,907	94%
Employee costs	9,828,919		9,828,919	7,857,727	1,971,192	80%
Council Expenses	2,394,000		2,394,000	1,050,100	1,343,900	44%
Repairs and maintenance	2,425,500		3,300,000	3,215,356	84,644	97%
Finance Costs			-	36,010	(36,010)	-
Grants and subsidies				-	-	-
Total Expenditure Payments	41,555,010		57,901,186	51,007,503	-	-
Capital Expenditure Payments			24,814,794	569,804	24,244,990	2%
Surplus						

Budget notes

- Over budgeting of receipts from Students-According to paragraph 43 of the public financial management (National Government) regulations,2015, the accounting officer is required to exercise budgetary controls. During the year under audit, the management of the institute had budgeted to collect **kshs 79,455,980** but ended up collecting **kshs 61,162,207** hence under collection of **kshs18,293,773**. In this case, the under collection was as a results of low enrolment due to poor economic conditions in the country.
- Over budgeting of the employee costs- According to paragraph 43 of the public financial management (National Government) regulations,2015, the accounting officer is required to exercise budgetary controls. During the year under audit, the management had proposed to spend **kshs 9,828,919** as employee costs but ended up spending **kshs 7,857,727** as employee costs thus a variance of **kshs 1,971,192**. Due to poor economic conditions prevailing in the country, the institute could not realise **100%** of the budgeted amount thus hostility measures had to be put in place to cut down the costs. This included but not limited to reducing the number of human resources personnel required to effectively run the institution. This has affected the amount of employee's costs incurred.
- Over budgeting of the Board/Council expenses-- According to paragraph 43 of the public financial management (National Government) regulations,2015, the accounting officer is required to exercise budgetary controls. During the year under audit, the management had proposed to spend **kshs2,394,000** as board/Council expenses but ended up spending **kshs 1,050,100** as board/Council expenses thus a variance of **kshs 1,343,900**. The un utilised funds was a results of budget constraints that led the institute to scale down the number of Council meetings so as to sustain its operations.

19. Notes to the Financial Statements

1. General Information

Tseikuru National Polytechnic was established by and derives its authority and accountability from **TVET Act No29 of 2013**. Tseikuru National Polytechnic is under the Ministry of Education, State department of Technical and Vocational Training. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is to Provide Technical, Vocational Education and Entrepreneurship Training geared towards Self-Reliance to meet the Labour Market needs.

2. Statement of Compliance and Basis of Preparation

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

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

The financial statements have been prepared in accordance with the PFM Act No.18 of 24th July 2012, the State Corporations Act, the TVET Act 2013 and International Public Sector Accounting Standards (IPSAS). The Institution adopted IPSAS in the year 2019 following elevation into a SAGA. The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2023, it is applicable in Kenya from 1st July 2024)

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.

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	Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review
IPSAS 46: Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review</p>
IPSAS 50:	<p><i>Applicable 1st January 2027</i></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>

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Exploration For & Evaluation of Mineral Resources	<ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. 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. 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. <p>Tseikuru national polytechnic did not apply this standard in the preparation of the accounts under review</p>
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on **28.06.2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the FY 2024/2025 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cash flows has been presented.

c) Taxes

Current income tax

Tseikuru National Polytechnic is exempt from paying taxes as per First Schedule **Section 10 subsection (a) and (b)** of the 2010 **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 50-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately).* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial

liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements

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

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

The management of tseikuru national polytechnic sets provisions for bad & doubtful debts as 5%.

6. Transfers from other National Government entities

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	4,398,881	10,645,770
Operational Grant	999,655	2,000,000
Development grants	1,692,472	-
Other Grants	-	-
Total unconditional Grants		-
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	7,091,008	12,645,770

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	FY 2023/24
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of XX	-	-	-	-	-
XX Ministry	-	-	-	-	-
Total	-	-	-	-	-

7. Grants from Donors and Development Partners

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants (specify)	-	-
Total Grants from Development Partners	-	-

(a) Reconciliations of grants from donors and development partners

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Yet To Be Met - Remain Liabilities	-	-

8. Transfers from Other Levels of Government

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Transfer from County XX	-	-
Transfer from XX University	-	-
Transfer from XX Institute	-	-
Total Transfers	-	-

9. Public Contributions and Donations

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

10. Rendering of Services

i) Revenue earned from rendering of services

Description	FY 2024/25	FY 2023/24
	KShs	KShs
New funding model(544*67,189)	36,550,816	6,047,010
Old funding model(160*56420)	9,027,200	12,638,080
Nys sponsored(87*144,800)	12,597,600	9,184,174
Kcb foundation (46,300*60)	2,778,000	0
Driving school	208,591	
Total revenue from the rendering of services	61,162,207	27,869,264

This comprises of revenue received from NYS students, Helb loans & kuccps students

ii) Revenue received from rendering of services

Description	FY 2024/25	FY 2023/24
	KShs	KShs
Rendering service	18,479,169	29,275,262
Nys	11,886,880	-
Total revenue from the rendering of services	30,366,049	29,275,262

11. Sale of Goods

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	-	-
Cafeteria sales	-	-
Other sales (specify)	-	-
Total Revenue from Sale of Goods	-	-

12. Rental revenue from facilities and equipment

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Hire of Facilities and Equipment	204,000	204,000
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Others (specify)	-	-
Total	204,000	204,000

13. Finance Income

Description	FY	FY
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Others (<i>specify</i>)	-	-
Total finance income	-	-

14. Miscellaneous Income

Description	FY 2024/25	FY 2024/25
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Bad debts recovered	-	-
Income written back	-	-
Others (<i>specify</i>)	-	-
Total other income	-	-

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15. Use of Goods and Services

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Teaching and learning materials	1,884,619	1,613,667
Industrial attachment costs	394,400	41,700
Electricity	1,544,219	1,889,496
Activities/Tvet fairs	1,568,395	1,715,121
Security	751,660	1,003,924
Professional and consultancy services	-	-
Subscriptions	-	-
Advertising	3,224,689	862,660
Knec examinations	1,699,850	1,141,230
Cdacc examinations	1,456,500	302,700
Nita examinations	5,050	-
Performance contracting	1,512,050	188,368
Audit fees	-	-
Catering, conferences, and delegations	2,643,965	4,417,648
Travelling and accommodation	2,087,939	1,445,369
Fuel and oil	1,022,010	1,203,168
Insurance	52,500	426,603
Legal expenses	-	2,000
Licenses and permits	-	-
Postage	-	-
Printing and stationery	674,244	973,860
Hire charges	-	-
Rent expenses	-	150,000
Research	-	56,400
Cleaning materials	-	308,820
Telephone expenses	351,500	203,000
Internet expenses	238,088	597,168
Training expenses	-	716,042
Other administrative expenses	1,566,533	1,461,956
Clearing account	499,827	791,218
Total good and services	23,178,038	21,512,118

16. Employee Costs

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Salaries and wages	7,149,267	6,424,069
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	-	-
Employee Costs	7,149,267	6,424,069

17. Council Expenses

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Chairman's Honoraria	120,000	-
Directors Emoluments	750,100	1,329,650
Other Allowances	180,000	-
Total	1,050,100	1,329,650

18. Depreciation and Amortization expense

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Property, plant and equipment	15,514,015	16,820,373
Intangible assets	754,332	570,405
Investment property carried at cost	-	-
Total depreciation and amortization	16,268,347	17,390,778

19. Repairs and Maintenance

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Property	-	-

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Investment property – earning rentals	-	-
Equipment and machinery	104,000	-
Vehicles	275,000	-
Furniture and fittings	340,000	-
Computers and accessories	218,000	-
Other repairs	1,365,874	1,599,073
Total Repairs and Maintenance	2,302,874	1,599,073

20. Contracted Services

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
Total contracted services	-	-

21. Grants and Subsidies

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (specify)	-	-
Total Grants and Subsidies	-	-

22. Finance Costs

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Bank charges	36,010	31,223
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Others (specify)	-	-
Total Finance Costs	36,010	31,223

23. Gain On Sale of Assets

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

24. Gain/(loss) on Fair Value Investments

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

25. Impairment Loss

Description	FY 2024/25	FY2023/24
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

26. Cash and Cash Equivalents

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Current Account-development account	10,730,506	1,414,702
Current Account-operation account	9,098,988	3,906,588
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	68,000	28,826
Total Cash and Cash Equivalents	19,897,494	5,350,116

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

Financial Institution	Account number	FY 2024/25	FY 2023/24
		Kshs	Kshs
a) Current Account			
Development account	1178879798	10,730,506	1,414,702
Operation account	1177500035	9,098,988	3,906,588
Sub- Total			
b) On - Call Deposits			
Kenya Commercial Bank			
Equity Bank – etc.			
Sub- Total			
c) Fixed Deposits Account			
Kenya Commercial Bank			
Bank B			
Sub- Total			
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank			
Bank B			
Sub- Total			
e) Others(<i>Specify</i>)			
Cash in Transit			
Cash in Hand		68,000	28,826
Mobile Money account		-	-
Sub- Total			
Grand Total		19,897,494	5,350,116

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	FY 2024/25	FY 2023/24
	KShs	KShs
Current receivables		
Student debtors	43,800,000	8,559,678
Nys	9,805,120	-
Rent debtors	-	-
Consultancy debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance (5%)	(2,680,256)	(427,984)
Total current receivables	50,924,864	8,131,694

27 (b) Long- term Receivables from Exchange transactions

Description	FY 2024/25	FY 2024/25
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
Total	-	-
Current Portion Transferred To Current Receivables	-	-
Total Non-Current Receivables	-	-
Total Receivables	-	-

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2024/25		FY 2023/24	
	Kshs	% of total	Kshs	% of total
	FY 2024/25	% of total	FY2023/24	% of total
Less than 1 year	50,924,864	100	8,131,694	100
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	50,924,864	100	8,131,694	100

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

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	-	-

28. Receivables from Non-Exchange transactions

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Current Receivables		
Capitation Grants*	-	1,680,000
Recurrent grants	-	500,000
Transfers from Other Govt. entities	-	-
Undisbursed Donor Funds	-	-
Other Debtors (Non-Exchange Transactions)	-	-
Less: Impairment Allowance	-	(109,000)
Total Current Receivables	-	2,071,000

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

Description	FY 2024/25		FY 2023/24	
	Kshs		Kshs	
	FY2024/25	% of the total	FY 2023/24	% of the total
Less than 1 year	-	-	2,071,000	100
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	2,071,000	100

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

Description	FY 2024/25	FY2023/24
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

29. Inventories

Description	FY 2024/25	FY 2023/24
	KShs	KShs
Consumable stores	180,400	235,555
Maintenance stores	78,900	-
Health unit stores	-	-
Electrical stores	65,000	-
Cleaning materials stores	15,700	28,790
Catering stores	-	-
Total inventories at the lower of cost and net realizable value	340,200	264,345

Detailed disclosure on inventories

	FY 2024/25	FY 2023/24
Opening balance		
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

30. Investments in financial assets

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (Specify)		
Equity/ Shares in Company Xxx	-	-
Sub- Total	-	-
Grand Total	-	-

d) Shareholding in other entities

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

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

31. Prepayments

Description	<i>FY 2024/25</i>	<i>FY 2023/24</i>
	Kshs.	Kshs.
Insurance	-	-
Rent	-	-
Water	-	-
Internet	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

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32. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Plant & equipment's	Furniture and fittings	Computers & ICT Equipment	Electricals	Work in progress	Total
Depreciation Rate	2%	2%	12%	12%	12.5%	20%	12%		
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1 st July 2023	4,284,000	324,751,361	9,166,400	37,764,561	7,492,182	4,502,824	24,472,543		
Additions	-	573,580			262,560				
Disposals	-								
Transfer/Adjustments	85,680	(6,506,499)	(1,099,968)	(4,531,747)	(930,569)	(900,565)	(2,936,705)	-	
As at 30 th June 2024	4,369,680	318,818,442	8,066,432	33,232,814	6,524,173	3,602,259	21,535,838	-	396,449,638
Depreciation And Impairment									
Additions	-	500,000	-	-	300,000	69,804	-	-	869,804
Depreciation	87,394	(6,386,369)	(967,972)	(3,987,938)	(853,022)	(734,413)	(2,584,301)	-	(15,514,015)
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-
As At 30 th June 2025	4,457,074	312,932,073	7,098,460	29,244,876	5,971,151	2,937,650	18,951,537	-	381,592,821
NBV June 2024	4,369,680	318,818,442	8,066,432	33,232,814	7,492,182	3,602,259	21,535,838	-	396,449,638
NBV as at end of the June 2025	4,457,074	312,932,073	7,098,460	29,244,876	5,971,151	2,937,650	18,951,537	-	381,592,821

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 xxx professional valuers on xxx. These amounts were adopted in the financial statements on xxx.

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	4,369,680	87,394	4,457,074
Buildings	319,318,442	(6,386,369)	312,932,073
Plant And Machinery	33,232,814	(3,987,938)	29,244,876
Motor Vehicles including Motorcycles	8,066,432	(967,972)	7,098,460
Computers and Related Equipment	3,672,063	(734,413)	2,937,650
Office Equipment, Furniture, And Fittings	6,824,173	(853,022)	5,971,151
Total	375,483,604		362,641,284

33. Intangible Assets

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Cost		
At beginning of the quarter	3,771,622	2,852,027
Additions during the period	-	1,490,000
At end of the period	-	4,342,027
Additions–internal development	-	-
At end of the period		-
Amortization and impairment (20%)	(754,332)	(570,405)
At beginning of the year	-	-
Amortization during the period	-	-
At end of the period	-	-
Impairment loss during the period	-	-
At end of the period	-	-
NBV	3,017,290	3,771,622

34. Investment Property

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

35. Biological Assets

	FY 2024/25	FY 2023/24
	Kshs	Kshs
Trees in a plantation forest	-	-
Animals: Dairy Cattle, Pigs, Sheep	-	-
Others (Specify)	-	-
Total	-	-

36. Trade and Other Payables

Description	FY 2024/25	FY 2023/24
	KShs	KShs
Trade payables	14,223,458	1,515,824
Employees' Salaries	708,460	-
Employee advances	-	-
Third-party payments	408,206	304,753
Other payables-Cdacc exams	3,000,200	-
Total trade and other payables	18,340,324	1,820,577

	FY 2024/25	% of the Total	FY2023/24	% of the Total
Ageing analysis:				
Under one year	18,340,324	100	1,820,577	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	18,340,324	100	1,820,577	100

39. Finance Lease Obligation

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

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

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

40. Deferred Income

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
National Government	11,472,414	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	11,472,414	-

The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions during the year	11,472,414	-	-	11,472,414
Transfers to capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	11,472,414	-	-	11,472,414

Analysed as:

Description	Amount
	Kshs
Current	11,472,414
Non- Current	-
Total	11,472,414

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	FY 2024/25	FY 2023/24
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

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

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

Description	FY2024/25	FY2023/24
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	Kshs	Kshs
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (Post- Retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

Recognition of Retirement Benefit Asset/ Liability

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

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (<i>specify</i>)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

- b) Amounts recognised in the Statement of Financial Position

Description	FY2024/25	FY 2023/24
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others (<i>specify</i>)	-	-
Net asset or liability arising from defined benefit obligation	-	-

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

42. Payments received in advance.

Description	FY 2024/25		FY 2023/24	
	Kshs		Kshs	
Fees received in advance	-		-	
Others (Specify)	-		-	
Total	-		-	
Ageing analysis:	FY 2024/25	% of the Total	FY 2023/24	% of the Total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

43. Borrowings

Description	FY2024/25	FY2023/24
	Kshs	Kshs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the year	-	-

43 a) Analysis of External and Domestic Borrowings

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	-	-
Sterling pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from 'zzz organization'	-	-
Domestic borrowings	-	-
Kenya shilling loan	-	-
Total balance at end of the year	-	-

43 b) Breakdown of Long and Short-Term Borrowings

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

44. Non-Current Provisions

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

45. Service Concession Arrangements

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	=	=

46. Social Benefit Liabilities

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	=	=
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	=	=
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

47. Cash generated from operations.

Surplus for the year before tax	FY2024/25	FY 202/24
	Kshs	Kshs
Adjusted for:		
Depreciation	18,535,287	17,390,778
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	36,010	31,223

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Surplus for the year before tax	FY2024/25	FY 202/24
	Kshs	Kshs
Working Capital Adjustments		
Increase in Inventory	75,855	3,845
Increase in Receivables	42,793,130	-
Increase in Deferred Income	-	-
Increase in Payables	16,519,747	(887,935)
Increase in Payments received in advance	-	-
Net Cash Flow from Operating Activities	23,944,765	5,101,807

48. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	8,131,694	8,131,694	-	-
Receivables from non-exchange transactions	2,071,000	2,071,000	-	-
Bank balances	5,350,116	5,350,116	-	-
Total	15,552,810	15,552,810		
At 30 June 2025				
Receivables from exchange transactions	50,924,864	50,924,896	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	19,897,494	19,897,494	-	-
Total	70,822,358	70,822,390	-	-

Financial risk management (continued)

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

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	-	1,820,577	-	1,820,577
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	1,820,577	-	1,820,577
At 30 June 2025				
Trade Payables	3,230,000	3,610,324	11,500,000	18,340,324
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	10,000,000	-	10,000,000	20,000,000
Employee Benefit Obligation	-	-	-	-
Total	13,230,000	3,610,324	21,500,000	38,340,324

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-	-	-
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

Foreign currency sensitivity analysis

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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

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iv) Capital Risk Management

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

Description	FY2024/25	FY2023/24
	Kshs	Kshs
Revaluation Reserve	466,467,688	454,857,910
Retained Earnings	(40,507,757)	(10,582,531)
Capital Reserve	-	-
Total Funds	425,959,931	444,275,379
Total Borrowings	-	-
Less: Cash and Bank Balances	19,897,494	5,350,116
Net Debt/(Excess Cash and Cash Equivalents)	(19,897,497)	(5,350,116)
Gearing	-	-

49. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	FY 2024/25	FY2023/24
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total		
B) Purchases from related parties		
Purchases of electricity from kplc	1,544,219	1,889,496
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	1,544,219	1,889,496
b) Grants /Transfers from the Government		
Grants from National Govt	-	-
Grants from County Government	-	-
Donations in Kind	-	-
Total	-	-
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	-	-
Payments for Goods and Services for XX	-	-
Total	-	-

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Description	FY 2024/25	FY2023/24
	Kshs	Kshs
d) Key Management Compensation		
Directors' emoluments	750,100	1,329,650
Total	2,294,319	3,219,146

50. Segment Information

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

51. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	FY 2024/25	FY 2023/24
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case Xxx against (<i>The Entity</i>)	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

(Give details)

52. Capital Commitments

Capital Commitments	FY 2024/25	FY 2023/24
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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

53. Events After The Reporting Period

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

54. Ultimate And Holding Entity

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

55. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Unconfirmed Property Plant and Equipment	The institute has kick started the process of establishing the true owners of the land. There is a court proceeding going on concerning such encroachment	Not Resolved	31.12.2025
2	Unsupported Repairs and Maintenance	The management has taken the auditors observations positively. The management has since provided supporting documents for the un supported repairs & maintenance expenditure of kshs 1,599,073 as per the auditor's advice.	Resolved	N/A
3	Unsupported Revaluation Gain	The auditor's advice has been taken positively. The management have since availed supporting schedules for revaluation gain.	Resolved	N/A
4	Lack of Internal Audit Function	The management has taken the auditors observation positively. However, the polytechc has been using internal auditor from Jeremiah Nyanga National Polytechnic who has been auditing the institute most often. Similary, the polytechnic has an audit committee of the board in place	Resolved	N/A
5	Ineffective Human Resource Management Function	On the implementation of the human resource policy, it is good to note that the institute has been having unrealized budget due to delayed & non-disbursements of funds from the government, Helb and Nys which are the main sources	Not Resolved	31.12.2025

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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)
		of revenue required to finance the institute budget. This has forced the polytechnic not partially implement the human resource policy. Going forward, the polytechnic will source for alternative sources of revenue to fund the budget so as to fully implement the human resource policy as per the auditor's advice.		



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Name: Teresia Musiva
Accounting Officer
Principal
Date :06.11.2025

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Appendix II: Projects Implemented by Tseikuru National Polytechnic

Projects

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

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

Status of Projects completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Hostel	10,500,000	7,580,079	18.09.2025	3,500,000	500,000	Council
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: Ministry of Education State Department of Tvet

Name of beneficiary entity: Tseikuru National Polytechnic

Confirmation of amounts received by Tseikuru National Polytechnic as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
STATE DEPTFOR	15.07.2024	499,827.50	-	499,827.50	Grants
	20.09.2024	322,334.70	-	322,334.70	Scholarship
	20.09.2024	792,657.70	-	792,657.70	Scholarship
	20.09.2024	167,800	-	167,800	scholarship
	23.09.2024	893,627.50	-	893,627.50	Capitation
	24.09.2024	671,827.50	-	671,827.50	Capitation
	24.09.2024	409,680.40	-	409,680.40	Scholarships
	19.02.2025	2,833,425	-	2,833,425	Capitation
	13.05.2025	-	10,000,000	10,000,000	Thitani tvc funds
	04.06.2025	499,827.50	-	499,827.50	Grant
Total		7,091,007.8	10,000,000	17,091,007.8	

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

Head of Accounts Department - Disbursing Entity:

Name *J. J. J. J.* Sign *J. J. J. J.* Date *6.11.25*

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Head of Accounts Department - Beneficiary Entity:

Name: Joel Kyatha Zakayo Sign  Date:06.11.2025

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
TSKNATPOLY/EQUITY/2024/25/ TREE PLANTING	Tree growing	<ul style="list-style-type: none"> To combat climate change Improve air quality 	<ul style="list-style-type: none"> Dig a hole little deeper than the roots are long Fill the hole around the seedling with dirt Gently pull the trunk of the seedling up slightly to straight 	50,000	50,000	100,000	150,000	Donation from Equity bank	Equity bank limited

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			<ul style="list-style-type: none"> en the roots • Soak the soil around the tress with water to encour age deep rooting 						
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Appendix V: Reporting on Disaster Management Expenditure

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

