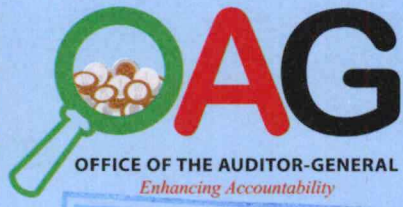
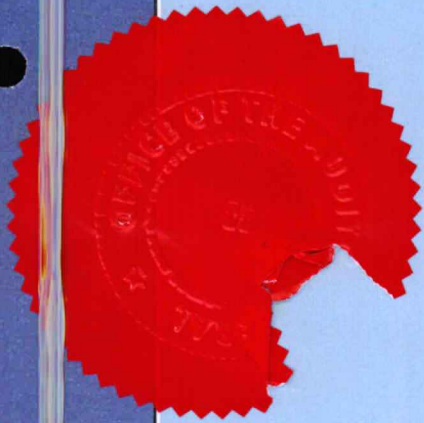


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 DEC 2025	DAY: THURSDAY
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CLERK-AT-THE-TABLE:	FINLAY

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REPORT

OF

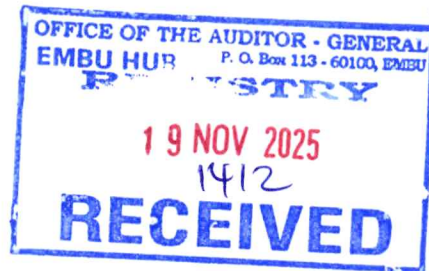
THE AUDITOR-GENERAL

ON

NKABUNE TECHNICAL TRAINING INSTITUTE

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





NKABUNE TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports 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
TVET	Technical Vocational and Education Training
DoB	Date of Birth
BSC	Bachelor of Science
MSC	Master in Science
BoE	Bachelor of Education
FY	Financial year
PSC	Public Service Commission

B. Definition of key terms

Fiduciary Management - Key management personnel who have financial responsibility in the entity

Comparative Year- The prior period

Key Entity Information and Management

(a) Background information

The NKABUNE TECHNICAL TRAINING INSTITUTE is governed by the TVET Act 2013. The entity is domiciled in Kenya. The institute is under the Ministry of Education.

Nkabune Technical Training Institute is a Technical Institute which started way back in 1964 and is located in Imeri North constituency in Meru County. In 1967 the Ministry of Education requested the Sisters to start a grant-aided Commercial technical school for girls. This opened in 1968 at the current Gitoro Primary School, but due to lack of sufficient land for expansion the Sisters had to move the school to its present location at Nkabune on an 8.21 Hactre- piece of land donated by the local community.

In 1986, Nkabune Technical and Commercial Girls, among eighteen (18) other technical secondary schools was converted to technical training institutes. The courses that were offered then were Secretarial and Accounts Clerks' alongside form three and four, which were phased out in 1987. Other courses like CPA Part one, Garment Making and Food and Beverage at Craft level were introduced in 1988.

Nkabune Technical Training Institute has departments namely Food and beverage, Electrical and electronics, Liberal studies, Business, Information Communication Technology, Clothing Technology, Procurement and Finance Department

(b) Principal Activities

The principal activity is training.

Our vision is to be a centre of excellence in provision of technical and Vocational Education and Training

Our mission is to provide TVET and produce skilled manpower that can compete favourably in the local and international labour market as well as creating self-reliance that suits current market changing technology

Our core values are excellence and teamwork, innovation and creativity, professionalism and ethics and corporate governance

Our Motto is Technical skills for self-reliance

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

(c) Key Management

The Institutes day-to-day management is under the following key organs:

- Board of Governors members
- Accounting officer/ Principal
- Management
- Head of departments

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Peninah Ngina Musili
2.	Deputy Admin	Stephen Kinyua
3.	Deputy principal Academics	Anastacia Gikundi Ntarara
4.	Registrar	Niceta Muthanje
5.	Dean of students	Isaack Mbaabu
6.	Head of Finance	Zachary Doris Kinya

(e) Fiduciary Oversight Arrangements

- **Audit and risk committee activities-** Ensure there are proper internal controls to safeguard Institute assets and financial resources.
- **Academic/Welfare committee** activities include overseeing the academic performance and Welfare of students, staff and BOG members
- **Finance and Human Resource committee:** activities include planning and budgeting , implementation and evaluation of planned activities and recruitment of new staff

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Entity Headquarters

Nkabune Technical Headquarters

P.O. Box 330-60200

Off. Mate Road

Meru Kenya

(g) Entity Contacts

Telephone: (254) 719186814,

E-mail: nttinkabune@gmail.com

Website: www.nkabunetti.ac.ke

(h) Entity Bankers

1. Cooperative Bank

P.O. Box 1328-60200

Meru, Kenya

2. Kenya Commercial Bank

P.O. Box 178-60200 Meru

3. National Bank

P.O. Box 75104

Meru Branch

(i) Independent Auditors

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office

Hararbee Avenue

P.O. Box 40112



City Square 00200

Nairobi, Kenya

NKABUNE TECHNICAL TRAINING INSTITUTE




Annual Reports and Financial Statements for the Year ended 30th June 2025

3. The Board of Governors

S/n	Member	Profile
1.	<p>Mr.Samson Raiji.</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving First Term</p> <p>Mr. Samson Raiji is the Chairman of the Board. He is a PhD finalist in Corporate Governance and Corporate Communications at JKUAT (2025). Raiji is a lecturer, trainer and consultant in Corporate Communication and Governance. Conducted several trainings on interpersonal relations, enhancing communication skills, building public relations and attitude change with training institutions such as ExcellAfric Development Center(EADC), FOSCORE, Upskill development Institute among others. He is currently a Lecturer at Chuka University from 2009. He worked as a Corporate Communications Manager at Kenya Industrial Research, Development Institute, KIRDI from 1995 to 2009. He also worked as the Information Manager at Kenya News Agency from 1989 to 1994 and as an Editor at Rural Newspaper from 1992 to 1993. He is an Associate Member, Public Relations Society of Kenya (PRSK). Official Residence : Nairobi</p>
2.	<p>Ms Jenu John</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving First Term</p> <p>Jenu John is the Chair Academic Committee. She is currently undertaking PhD in Strategic Information Systems at the University of Nairobi. She has a Masters in Information Systems from University of Southern Queensland (2006), Bachelor of Technology in Computer Engineering from Cochin University of Science and Technology (2000), Diploma in Wireless Application Protocol Informatics (2001). She is currently Director, Directorate of Virtual and Blended Learning at Kenya Methodist University from 2007. She was the Chair of Department, Department of Computer Science at Kenya Methodist University from 2008-2014. Official Residence : Meru</p>




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Annual Reports and Financial Statements for the Year ended 30th June 2025

3.	Elias Mutwiri  Date of Appointment 18 th January 2023	<p>Date of Appointment 18th January 2023, serving First Term</p> <p>Elias Mutwiri is a member of the Audit Committee. He holds an MBA in Strategic Management from JKUAT and a Bachelor's degree in Purchasing and Supplies Management from the same institution (2013). He is currently the Cooperative Business Development Officer in Meru County. He also worked as a Procurement and Logistics Officer at Southern Engineering Co. LTD (SECO) Alpha Group in 2013. He trained with the Public Procurement Oversight Authority (PPOA) in 2013 and the Kenya Maritime Authority (KMA) 2011. Official Residence : Meru</p>
4.	Julius Mbaabu M'Inoti  Date of Appointment 18 th January 2023	<p>Date of Appointment 18th January 2023, serving Second Term</p> <p>Julius Mbaabu M'Inoti is a member Academic Committee. He holds a Bachelors of Law from the University of Nairobi (1987) and Diploma in Legal Sytems from Kenya school of Law (1988). He is a member of the Law Society of Kenya and a Notary Public and Commissioner for Oaths. He is a managing partner Mbaabu M'inoti & Co. Advocates. He has excellent Leadership skills and employing candid judgements on situations. Official Residence : Meru</p>
5.	Mrs Peninah Ngina Musila 	<p>Peninah Musila is the Principal/ Secretary Board of Governors. She is currently pursuing PhD in Applied Mathematics at Chuka University. She has Masters in Applied Mathematics from Meru University of Science and Technology (2019) and a Bachelors Degree in Education Sciences from Kenyatta University (1997). She is currently the Principal Nkabune Technical Training Institute from June 2025. She worked as a Principal at Mbeere North Technical Training Institute from June 2022 to June 2025. She was the Principal at Mitunguu Technical Training Institute from 2018 to 2021. She was also a trainer at the same Institution from 2016 to 2017. She also worked as the Deputy Principal Uruku Girls Secondary School from 2014 to 2016 and as a teacher at Muthetheni Girls from 1998 to 2005. Official Residence : Meru</p>
6.	Mrs Doreen Gakii George	<p>Date of Appointment 18th January 2023, serving Second Term</p>

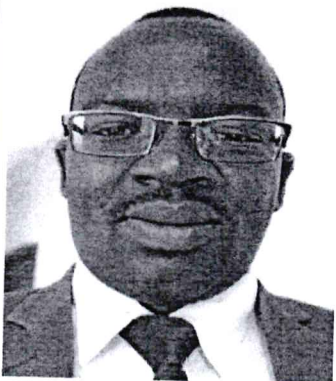

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

	 <p>Date of Appointment 18th January 2023</p>	<p>Doreen Gakii George is the Chair of Human Resource and Finance Committee. She is a Certified Public Accountant with sound excellence in Financial Reporting, strategic Budget and Financial Planning. She holds a Bachelor of Commerce (Finance Option) from Meru University of Science and Technology (2015). She is a member of ICPAK. She is currently the Chief Accountant – Diocese of Meru Trustees from 2019. She worked as a Finance Manager at St. Theresa Mission Hospital Kiirua from May 2014 to December 2018 and as an Accountant at the same Institution from 2011 to April 2014 Official Residence : Meru</p>
7.	<p>Adan Ibrahim</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving First Term Adan Ibrahim is a Member of Human Resource and finance Committee. He has a Bachelor of Economics and Statistics – second Class Honors (Upper Division) from the University of Nairobi. (2019). He has been the Director of Onetel Limited since 2020. He worked as an assistant project manager, humanitarian response and livelihood project in Wajir South sub-county from 2018-2019 and as a Sales Manager at Wireless Netzone Ltd from 2014-2018. Official Residence : Nairobi</p>
8.	<p>Mrs Maureen Njeri Kinyanjui</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving Second Term Maureen Njeri Kinyanjui is the Chair Audit Committee. She is an effective Quantity Surveyor with 11 years (two prior to registration and nine post registration) of experience in practice; committed, co-operative, decisive and can work under pressure to achieve desired targets. She holds Master of Arts in Construction Project Management from University of Nairobi (2023), Bachelor of Quantity Surveying, Hons - Second Class Upper Division from University of Nairobi (2017) She is Consultant Quantity Surveyor and Project Manager from 2019. She also worked as a Quantity Surveyor at the Cooperative Bank of Kenya from 2018 to 2019. She worked as an Assistant Quantity Surveyor at Emjay consultants Limited from 2011-2013. She is a Member of the Institute of Quantity Surveyors of Kenya (IQSK). Official Residence : Nairobi</p>

NEABUNE TECHNICAL TRAINING INSTITUTE




Annual Reports and Financial Statements for the Year ended 30th June 2025

<p>9.</p>	<p>Hillary Jumba</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving First Term Hillary Jumba is a member of the Human Resource and Finance Committee. He is currently undertaking PhD in Information and Knowledge Management; The Technical University of Kenya (Proposal stage). He has a Master of Science in Information Science from Kenyatta University (2015) and a Bachelor of Science in Information Science from Moi University (2007). He is currently the Senior Assistant Registrar (Examinations and Timetabling) – Maseno University from April 2025. He also worked as a Senior Assistant Registrar (Administration, Planning and Development) – Kenya Methodist University (KeMU) from 2021 to 2025. He worked as a Assistant Registrar Academics (Admissions, Registration of students & Timetabling) – Kenya Methodist University (KeMU) from 2020 to 2021. He possess strong management and leadership skills. Official Residence : Maseno</p>
<p>10.</p>	<p>Mary Njugi</p>  <p>Date of Appointment 18th January 2023</p>	<p>Date of Appointment 18th January 2023, serving First Term Mary Njugi is the PS Alternate member. She is an experienced Educationist with 35 years of experience, having worked with the Teachers Service Commission for 16 years and 19 years in Technical Vocational Education. She holds a Master's in Education from Kenyatta University (2006) and a Bachelor of Arts from the same institution (1990). She is competent in liaising with stakeholders to implement projects and programs. She is currently the Director Vocational Technical Education from 2025. She worked as a Deputy Director Vocational Technical Education from 2018 to 2025, Vocational and Educational Training Officer from 2007 to 2018 and as a Secondary School Teacher/Deputy Principal from 1990 to 2006. Official Residence : Nairobi</p>

NKABUNE TECHNICAL TRAINING INSTITUTE


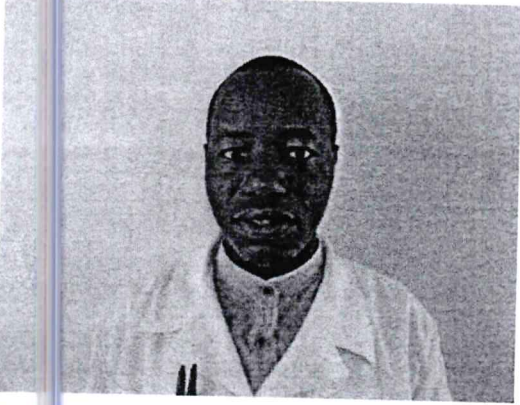

Annual Reports and Financial Statements for the Year ended 30th June 2025

4. The Management Team

<p>1. Mrs Peninah Ngina Musili</p> 	<p>DOB: 14/9/1973 Gender: Female Ethnicity: Kamba Contact: 0725849983 Work Experience: 27 years Date of Current Appointment: 19/7/2022</p>	<p>Principal</p>
<p>2. Mr Stephen Kinyua</p> 	<p>DOB:1974 MBA(Finance) - KU BCOM –Accounting - KU CPA III, CSIA II</p>	<p>Deputy Principal Administration</p>
<p>3. Ms. Anastacia Gikundi Ntarara</p> 	<p>DOB: 4th May 1974 BED (Sciences)- Business studies / computer Dip in Technical Education-Secretarial Dip in secretarial studies</p>	<p>Deputy Principal Academics</p>

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

<p>4. Niceta Muthanje</p> 	<p>DOB: 1968 BSC: Degree in Business management Entrepreneurship and development</p>	<p>Registrar</p>
<p>5. Isaac Mbaabu</p> 	<p>DOB: 1988 BSC: Electrical & Electrical Engineering. Pedagogy-Power Option</p>	<p>Dean of Students</p>
<p>6. C/A Doris Kinya Zachary</p> 	<p>DOB: 1984 Bachelor of Commerce, Finance Option ,CPAK</p>	<p>Finance Officer</p>

5. Chairman's Statement

Nkabune TTI is an integral part of the development of the Kenyan society. As one of the registered provider of vocational education and training. Our positioning statement "Technical Skills for Self-Reliance" reinforces our focus on providing skilled graduates, innovative workforce development solutions for businesses and industry and strong vocational education outcomes for everyone. We are an inclusive institution that provides learning opportunities for all those eligible.

Our staff is well qualified, responsive and committed to providing quality services. Our industry, community and Government partnerships are strong and mutually beneficial. We foster professional and social connections for our trainees and the society at large. In a changing external environment these connections are becoming more valuable as the society looks to our institution for relevant, demand-driven training courses and services.

I am not only proud of the pathways we offer young people from schools to employment and lifelong learning, but also the services we provide to businesses and industry to help them achieve their business goals. Additionally, I delight with the quality we bring to vocational education which has been recognized through our trainees.

Key activities and achievements during the FY 2024/2025

- Building of two ablution blocks
- Construction of modern gate which was 95% complete at the end of financial year
- Rehabilitation of masonry perimeter wall and painting
- Increment in enrolment
- Owning of land title deed
- Review of policies
- Integration of ERP with the Bank

Challenges

- Shortage of public service commission trainers
- Two KM access road to the institute from the tarmac
- Inadequate facilities e.g., Workshops and classrooms
- Delayed scholarship funds from the government

Way Forward

For the management to solve the above-mentioned challenges the management has approached different various offices: -

Ministry of education in request for additional trained trainers

Cabinet secretary ministry of infrastructure Meru County for a request on tarmacking the 2 km road

To solve the challenge on training workshop we have budgeted for the construction of workshop in the FY 2025/2026

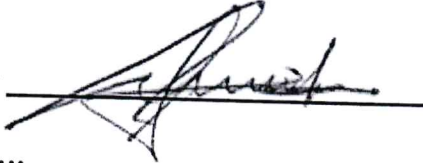
I am confident that Nkabune TTI will achieve higher status and leadership in Technical, Vocational Education and Training and will continue to grow as we move towards the achievement of Kenya's Vision 2030.

NEABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

We look forward for continued participation of our key stakeholders especially the Ministry of Education on timely resource support to ensure efficient implementation of the set out strategies in support of the realization of Vision 2030.

Prepared by



Date ...18/11/2025.....

Samson Raiji

B.O.G. Chairman

6. Report of the Principal

Presented herein is the annual report and financial statement of Nkabune Technical Training Institute for the year ended 30th June 2025 as per requirements of the Public Finance Management Act of 2012 and public audit act, 2003.

a. Academic Department

The departments in the Institute Include:

1. Engineering (electrical, automotive ,building technology ,plumbing) – with course levels at Artisan (L4), Certificate(L5) and Diploma (L6)
2. Hospitality (clothing ,food and beverage , hair and beauty therapy) – with course levels at Artisan (L4), Certificate(L5) and Diploma (L6)
3. Business(secretarial , management) – Certificate and Diploma
4. Liberal Studies Department – Certificate and Diploma
5. Computing and informatics – Certificate and Diploma

(b) Student and staff population

The Institute admits students allocated by KUCCPS, national youth service (NYS) sponsored, self-sponsored and some partly -sponsored by other organizations.

By the end of the financial year 2024/2025, the Institute had total enrolment of 6725 students. The number is expected to rise to 8,000 students in the financial year 2025/2026

The institute has one hundred and twenty two (122) trainers where sixty two (62) are employed by PSC and sixty (60) employed by BoG. The non-teaching staff are thirty two (32).

This will be achieved through

- Aggressive marketing of the CBET courses through our website, Facebook page Brochures , local media and door to door marketing in highly population catchment areas
- Expansion of the college training facilities to accommodate more trainees
- Improving internal and external academic performance
- Strengthening collaborations with local industries

Key activities during the year

Building of two ablution blocks

The management during the FY 2024/2025 constructed ablution block and changing rooms near the swimming pool and another bigger ablution block in the main field.

Construction of gate

During the FY ended 30th June 2025 the management initiated construction of modern gate (GATE A) where by closure of financial year it was above 95% completed.

Rehabilitation of masonry perimeter wall

The management has rehabilitated the perimeter wall by repainting, reinforcement and by constructing drainage system

Ownership of land

The management adhered to the land registration authority requirements to ensure that the institute land title deed is in our possession.

Upgrading of ERP

During the FY 2024/2025 the management has done integration of ERP system with the bank (Bank integration)

Improving the farm

During the FY 2024/2025 the management has improved the farm by improving the zero grazing units to accommodate twenty dairy cows, terracing and cultivating the land. The farm shall act as an income generating activity and also help in provision of food & beverage course training materials

Review of policies

During the FY 2024/2025 the management reviewed some of the policies. Policies reviewed were The Academic policy, The Human Resource Manual and the Production policy.

Challenges

Shortage of trainers

Upon increment in enrolment the number of PSC trainers does not resonate with the population. The management is going ahead to hire trainers under BoG terms which is a challenge to the institute finances

Accessible Road

The institute has a challenge with the 2 km road connecting to the institute which is felt more during rainy season because it is impassable

Inadequate facilities

Due to the increase in enrolment the capacity of workshops, classrooms and hostels to accommodate the students is inadequate.

Delayed disbursement of government funds

This is becoming a challenge financially because we are unable to meet our dues in time especially paying our suppliers. The main source of income is the fees whereby more than 80% is sponsored by government.

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

Way Forward

For the management to solve the above mentioned challenges the management has approached different various offices:-

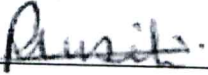
Ministry of education in request for additional trained trainers to help meet our vision and accomplish our mission

Cabinet secretary ministry of infrastructure Meru County for a request on tarmacking the 2 km road

To solve the challenge on training workshop we have budgeted for the construction of workshops in the FY 2025/2026

Proposed projects for FY 2025/2026

1. Procuring of driving truck
2. Procuring of a 16 seater van
3. Construction of Workshop for the Automotive department
4. Operationalization of a Hotel in Meru Town

Prepared by **Peninah Ngina Musili (Mrs.)**  Date -18/11/2025

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

Statement of Performance against Predetermined Objectives

Nkabune Technical Training Institute has 4 strategic pillars and objectives within its Strategic Plan for the FY 2024/2025- 2026/2027. These strategic pillars are as follows:

Pillar 1: Education and Training

Pillar 2: Research and Innovation

Pillar 3: Student Welfare

Pillar 4: Institutional Transformation

The Nkabune Technical Training Institute achieved its performance targets set for the FY 2024/2025 period for its 4 strategic pillars, as indicated in the diagram below:

Pillar	Objective	Performance Indicator	Activity	Achievement
Education and Training	Review training programmes	Demand for skills in the market	Enrolment & renewal of TVETA licences	New trainers from PSC & BoG ,& complying with TVETA regulations
	Develop and adopt priority market-driven training programmes			
	Diversify modes of implementation of training programmes.			
	Strengthen quality assurance mechanisms for training programmes			
	Strengthen framework for research	Knowledge gaps and demand for information	Capacity building and TOT	Trainings attended by the trainees
	Build capacity to undertake research			
	Leverage on ICT			
	Strengthen Partnerships and Collaborations			
Research and Innovation	Enhance academic and technical staff development	Variegated Teaching and Learning capacity		
	Enhance ICTs oriented teaching and learning methods			

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

Pillar	Objective	Performance Indicator	Activity	Achievement
	Improve teaching and learning resources			
	Improve the pedagogical skills among academic staff			
	Improve the library and other resources.			
	Harmonize content delivery methodologies			
Institutional Transformation	Expand and modernize the required physical facilities and infrastructure.	Physical Infrastructure	acquiring	Acquisition of lecturer chairs
	Promote efficient and rational utilization of available facilities and equipment.			
	Maintain of existing facilities, equipment and infrastructure.			
Student Welfare	Expand trainee enrolment	Trainee enrolment and welfare	Involve trainees in academic trips and engaging motivational speakers	Increase in enrolment and students performance in external examination
	Improve trainee welfare			
	Promote self-employment among the graduates			
	Mobilize scholarships and any other support for trainees			
	Enhance Gender and disability mainstreaming.			
Institutional Transformation	Comply with regulatory and statutory requirements	Institutional Governance and Management Systems	Reviewing of policies	Governance training & capacity building
	Improve the governance structures			
	Improve the efficiency and effectiveness of the overall organization and management.			

NEABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

Pillar	Objective	Performance Indicator	Activity	Achievement
	Strengthen management of training programmes			
	Review of relevant policy documents			
	Enhance institutional ERP			
	Strengthen trainees' organization and leadership			
	Enhance community participation and collaboration			
Institutional Transformation	Enhance Institutional branding.	Marketing, Public Relations and Linkages	Renewal of website. Practicing corporate social responsibility	Website active throughout the year Community gained trust with the institution
	Publicize Institute's programmes, activities and promote its public image			
	Establish links with local, national and international partner institutions.			
	Increase links with industries			
	Enhance corporate social responsibility programmes			
	Enhance the Institution's website.			
Diversify revenue streams	Financial Resources Management	ERP integration with the Main bank account	Ensure that all receipts & payments are recorded in the cashbook.	
Institute austerity measures				
Strengthen internal control and reporting systems				
Review and implement staff establishment	Human Resources Management	Registering with Pension fund scheme	Remittance of funds to the scheme every month	
Enhance staff motivation and retention				
Implement performance management systems				

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

Pillar	Objective	Performance Indicator	Activity	Achievement
	Establish an appropriate staff development programme			
	Improve staff welfare.			
	Review and implement quality management system	Quality Assurance and Control	QMS audit	QMS audit carried out every year & orientation to QMS for new staff
	Monitor adherence to quality standards			
Student Welfare	Intensify response to HIV & AIDS, cancer, and other lifestyle diseases.	Health Management Services	Engage health officer for screening and test	Screening and testing carried out every quarter in the institute
	Promote mental wellness			
	Strengthen psycho-social assistance programs			
Institutional Transformation	Enhance environmental management and waste disposal services	Environmental Management Services	Tree planting	Every rainy season trees are planted within & outside the institute
	Embrace greening Kenya initiative			
	Invest in green energy technology and productivity			
	Review and implement the ICT policy	ICT Strategies	ERP updates	Work efficiency
	Enhance appropriate information systems.			
	Implement and monitor appropriate training programmes for users.			

Corporate Governance Statement

As a Board, we believe that a strong corporate governance framework and culture translates to a strong institute that delivers to its mandate. According to the TVET Act, 2013 members of the board of governors are appointed by the Cabinet Secretary from the ministry of education from the following areas;

- a)-Leadership
- b). Financial management
- c). Industry
- d). Technology
- e). ICT
- F). Engineering

The board also seeks other committees to carry responsibility required in the governance of the institute.

Nkabune Technical Training Institute Board of Governors was inaugurated on 3rd February 2023 and underwent induction training on 22nd to 25th March 2023 at Kenya School of Governance – Embu. The Board has three Committees i.e.

1. Finance/Human Resource
2. Academic/welfare
3. Audit and Risk committee

Members of the Board comprises of:

- | | |
|--------------------------|--|
| 1. Samson Raiji | BOG Chairman |
| 2. Mary Njugi | PS Alternate member – Audit/Academic committee |
| 3. Jenu John | BOG member- Academic Committee |
| 4. Mr Julius Mbaabu | BOG member –Academic Committee |
| 5. Doreen Gakii | BOG member –Finance Committee |
| 6. Elias Mutwiri | BOG member- Audit Committee |
| 7. Maureen Njeri (Ms.) | BOG member- Audit Committee |
| 8. Adan Ibrahim | BOG member- Finance Committee |
| 9. Hillary Amudavi | BOG member – Finance Committee |
| 10. Peninah Ngina Musili | Principal -BOG Secretary |

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

The following committees have been in the institute.

Academic /Welfare

1. Mary Njugi
2. Julius Mbaabu
3. Jenu John-Chairperson

Finance /Human Resource

1. Doreen Gakii – Chairperson
2. Adan Ibrahim
3. Hillary Amudavi

Audit Committee

1. Maureen Njeri-Chairperson
2. Elias Mutwiri
3. Mary Njugi

The following are the roles and functions of board as out lined in the TVET Act.

1. Overseeing the conduct of education and training in the institutions in accordance with the provisions of TVET Act.
2. Promoting and maintaining standards quality and relevance in advocating and training in the institution in accordance with the act and any other written law.
3. Administering and managing the property of the institution
4. Developing and implementing the institutions strategic plan
5. Preparing annual estimates of the revenue and expenditure of the institution
6. Receiving on behalf of the institution fees, grants and other monies.
7. Determining fees payable and prescribing conditions under which fees may be remitted in part or whole in accordance with the guideline developed under the provisions of this act.

During the year 2024/2025 the table below shows the number of board and committee meetings held

Meetings	No of board meetings	Meeting held
Full board	4	5
Academic committee	4	4
Finance /HR Committee	4	6
Audit committee	4	4
Total	16	19

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Annual Reports and Financial Statements for the Year ended 30th June 2025

Conflict of interest: Nkabune TTI is committed to the highest standards of transparency, probity, and accountability. It seeks to conduct its affairs in a responsible manner considering the requirements of the law and the human standards fostered by the Institute. Guided by a conflict-of-interest policy, all members of the Institute community, from the Institute

Teaching and non-teaching staff are bound by this policy. Nkabune Institute perceives conflict of interest to be whenever there is personal, professional, and commercial or financial interests of activities outside of the Institute, which have the possibility either in actuality or appearance.

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

9. Management Discussion and Analysis

SECTION A

Nkabune Technical Training Institute is ISO 9001 -2015 Certified and has a Quality Management System in place and the management has put in place a system to handle the following areas in the process of ensuring there are proper internal controls in place.

1. Financial management
2. Student registration
3. Boarding and accommodation
4. Examination management
5. Procurement and store control
6. Internal audit department

During the year the student enrollment increased from student population of 1730 to 6725 students. The management has recruited additional staff in both academic and support staff to ensure smooth learning of operations. During the year the management reviewed Human Resource policy, Academic policy and Production policy documents to handle the emerging issues. See below

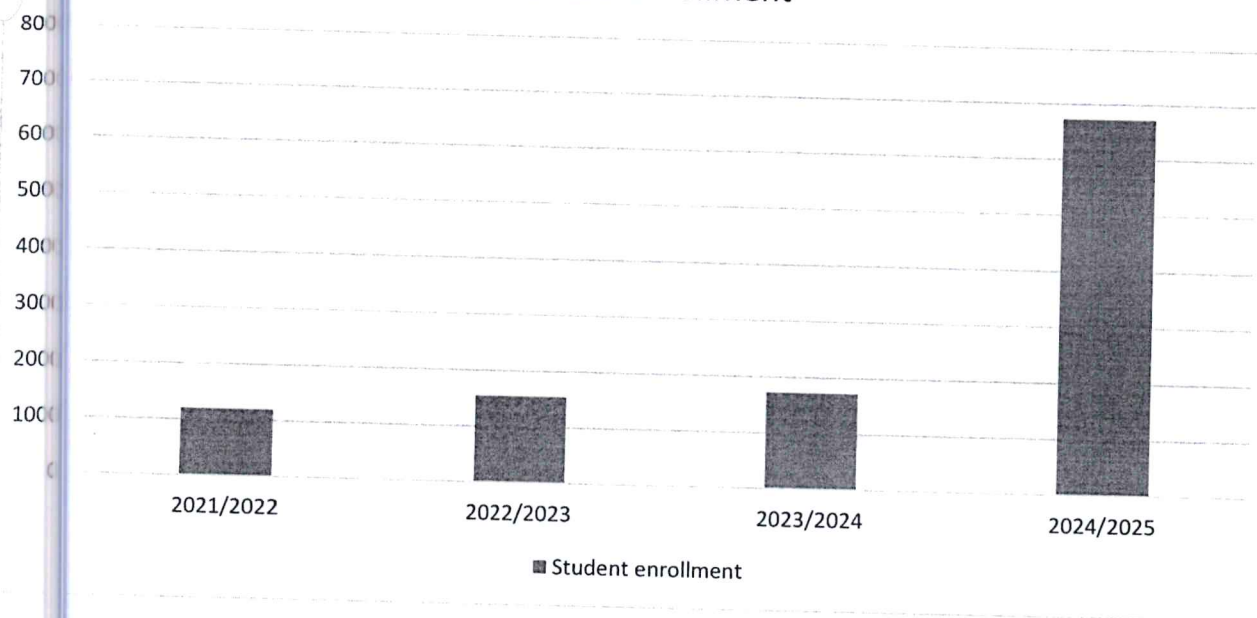
STUDENT ENROLLMENT

Financial year	2024/2025	2023/2024	2022/2023	2021/2022
Student enrollment	6,725	1,730	1,554	1,200

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

Student enrollment



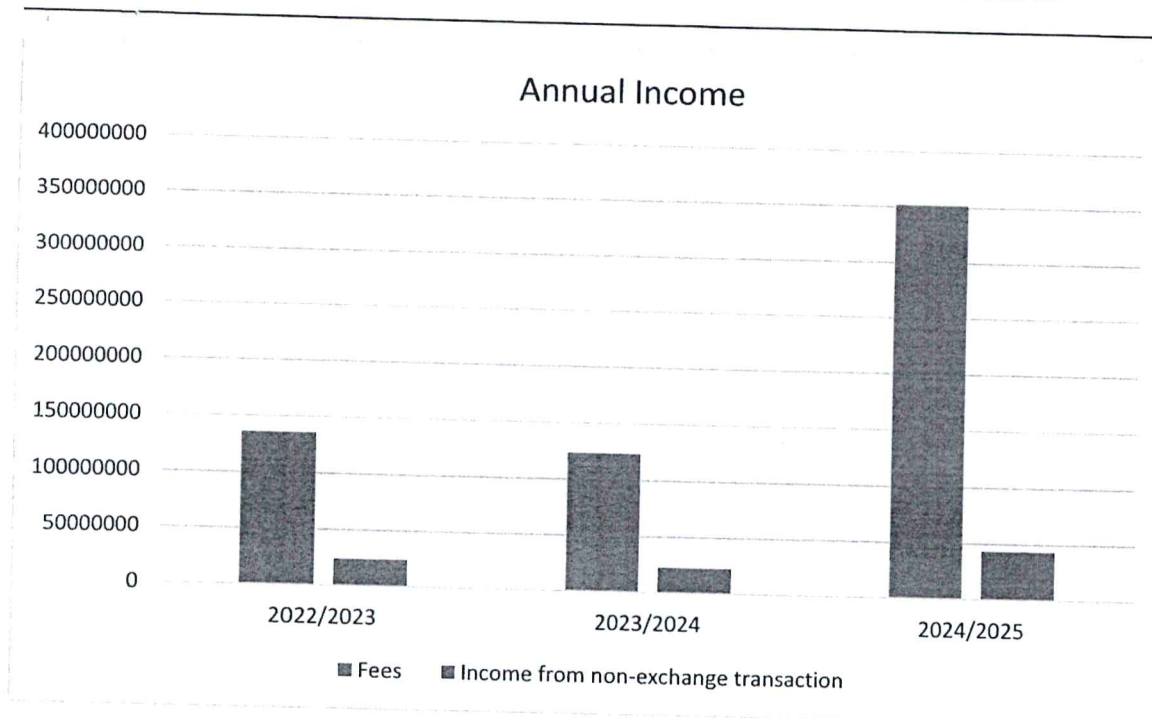
The institute has received a lot of support from the government through the ministry of education by receiving capitation and scholarship..

ANNUAL INCOME

Financial year	2024/2025	2023/2024	2022/2023
Income from non-exchange transaction	52,851,503	22,448,183	23,805,000
Rendering of services	351,865,710	123,710,221	135,971,351

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025



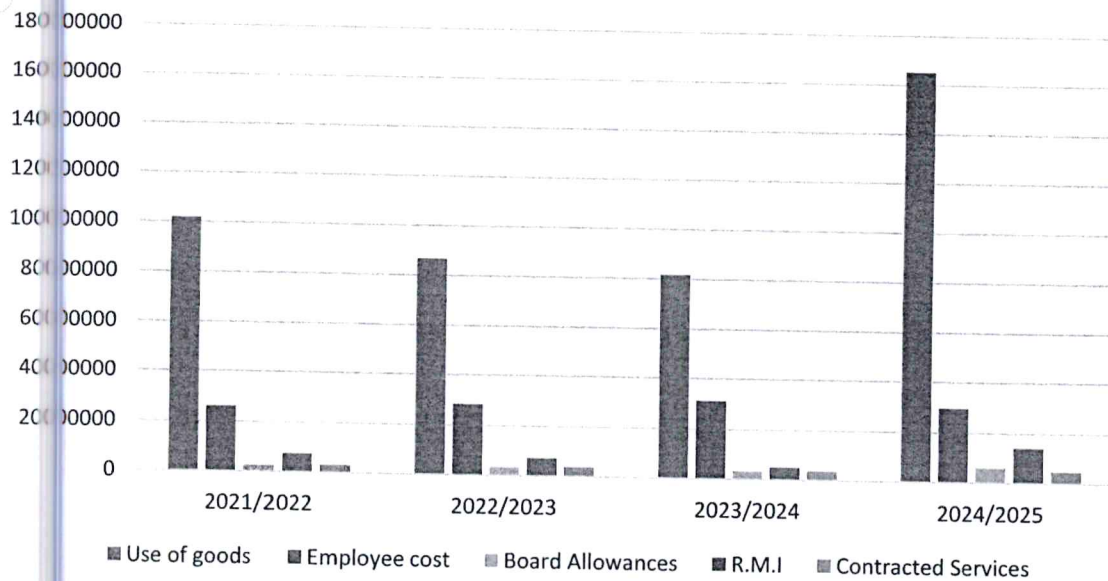
ANNUAL EXPENDITURE

Financial year	2024/2025	2023/2024	2022/2023	2021/2022
Use of goods	165,330,130	81,701,798	86,697,224	101,805,042
Employee cost	29,734,586	31,218,866	28,410,542	26,074,764
Board of Governors	5,846,000	3,375,500	3,417,040	2,560,100
Repair maintenance and Improvement	14,100,176	4,929,279	7,191,748	7,375,847
Contracted services	4,732,338	3,720,684	3,791,356	3,088,000

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

Annual Expenditure



SECTION B

Compliance with statutory requirements

Nkabune Technical Training Institute complies with all government legislations and regulations

SECTION C

Key projects implemented and ongoing

Key projects carried out during the year are: -

Two Ablution blocks

Rehabilitation of Masonary perimeter wall and painting

Construction of gate which is 95% complete

SECTION D

Major risks facing the entity

The major risk facing the Institution is the increase in debtors thus exposure high rate of bad debts.

SECTION E

Material arrears in statutory/financial obligations

The material arrears on financial matters are the pending bills to our suppliers.

10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

Nkabune TTI contributes significantly to Kenya's growth, prosperity and community cohesion. The Institute is a training provider of choice for a growing number of Trainees from within and outside the Meru region. Nkabune TTI is focused on achieving excellent outcomes for our trainees and will achieve this by being externally focused, providing quality education and training solutions, and being cost effective, flexible and responsive to market needs.

Strategies

1. Continue to develop and enhance partnerships with government, industry, business and the community that support Nkabune TTI's business objectives through provision of industry/enterprise relevant training
 2. Research, identify and develop growth streams of business for the Institute
 3. Develop high quality recognition services that meet the needs of our trainees and clients
 4. Benchmark our services against those of our competitors to ensure continuous improvement and to acquire and maintain leadership position
- Invest in ICT capability to support service delivery that meets market expectations

Environmental performance

Nkabune TTI is committed to pursuing forward thinking partnerships with industry, the community, and government by stimulating collaborative approaches to industry development, actively engaging with community members, and increasing the ability to communicate and partner effectively with government and other key sectors of the society.

Outcome 1

Nkabune TTI forms productive and sustained partnerships with industry

Strategies

1. Provide training in relationship management for staff to enhance current relationships and build new relationships
2. Partner with other organizations in a way that creates a competitive advantage
3. Build significant relationships with private registered training organizations, international organizations, higher education providers, business/industry enterprises and cultural institutions
4. Strengthen external networks to enable the Nkabune TTI meet industry needs and expectations

Employee welfare

The Institute HR Policy was made in 2019. Through it, the Institute seeks to continue being sustainable by combining making the most compatible hire and then maintaining an environment that nurtures that hire through the long term. It requires both efforts to retain our human and intellectual capitals and help them be as productive as possible.

During recruitment, the Institute considers the following:

- The ethos, standards, values, and principles of the Institute;
- The prescribed qualifications for holding or acting in the position;
- The experience and achievements attained by the candidate;
- The conduct of the candidate;
- The need for transparency; and
- Individual performance.

Human Resource policy manual

Nkabune TTI HR manual is designed to attract, motivate and retain competent

Employees who will promote the Institute mission and vision for the short, medium and long-term goals.

Nkabune TTI strongly believes in the need to recognise excellence and effort. In line with this, the institution has an annual performance appraisal system and budgeted annual increments for all staff.

The Institute has an Occupational Safety and Health Act of 2007, (OSHA) committee that ensures employee's safety and compliance to OSHA.

Trainings

The Institute conducts trainings to its staff members holding various job positions for continuous professional development and skills improvement.

During the year we took all HODS for benchmarking to improve their performance and learn new skills.

Market place practices-

The organisation should outline its efforts to:

- a) Responsible competition practice.

Nkabune TTI ensures that the zone is free of corruption. There is anti-corruption committee which oversees that there is no corruption within the Institute. The Institute also offers a competitive platform for new employee's recruitment and also supplies.

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

b) Responsible Supply chain and supplier relations-

The Institute ensure it has followed the procedure laid down in procurement.it ensures that the suppliers have supplied as per the description of goods. To maintain good relation, we ensure both parties have adhered to the contract. We also make sure we have paid our suppliers in good time.

c) Responsible marketing and advertisement

Nkabune TTI advertises the courses it offers and when mounting programmes, we advertise through various media.

d) Product stewardship

Nkabune TTI carries out activities that promote education through regional and National Extracurricular activities

Corporate Social Responsibility / Community Engagements

The following activities were carried out as part of corporate social responsibility by the Guidance & Counseling department during the period stated above;

Saturday 12th October, 2024- they participated in the Meru Hospice Cancer Walk and gave donations in cash and kind. The Institute played a big role in the donations and even provided a bus for the transportation of the gifts and the trainees and trainers to the occasion. The Hospice Administrator appreciated the kind gesture from the Institution. The event was hosted by the Meru University of Science and Technology.

1ST December 2024- They participated in the WORLD AIDS DAY celebrations which included sensitizing the members of the Institution and the surrounding community on the dangers related to stigma and discrimination towards people living with HIV and AIDS.

Termly HTC and wellness promotion activities that included cancer screening (breast, Cervical), Body Mass Index, Blood Pressure, Blood sugar levels and Nutritional Assessment to all members of Nkabune TTI fraternity and by extension to their family members.

Termly interactive sessions with other institutions e.g. Cooperative University of Kenya where they sensitized each other on handling college life and the need to co-exist well with the surrounding communities.

17th - 19th June, 2025 they visited the surrounding schools to give talks on contemporary issues such as Drug and substance Abuse, Self- awareness and Self- esteem to the young one in the secondary schools. The school visited this term is Nkabune Day Secondary School. Nkabune Girls and Kirige Day gave a tentative date for the term of September to November 2025 for the talk.

The community and all the places visited appreciated the visits and the services/ donations rendered.

On our part, it was a privilege and a humbling experience to be able to give back to the society and to learn from the interactions.

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

1. Report of the Board of Governors

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

Principal activities

The principal activities of the entity are training.

Results

The results of the entity for the year ended June 30th 2025 are set out on page 1- 33

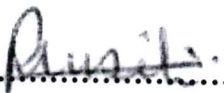
Board of Governors

The members of the Board who served during the year are shown on page iv to ix during the year 2024/2025 no board members retired, and none were appointed.

Auditors

The Auditor General is responsible for the statutory audit of Nkabune Technical Training Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of Nkabune Technical Training Institute for the year ended June 30, 2025 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

..........

Secretary of the Board

Date 18/11/2025

12. Statement of Board of Governors Members' Responsibilities

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

The board members are also responsible for safeguarding the assets of Nkabune Technical Training Institute.

The board members are responsible for the preparation and presentation of the financial statements, which give a true and fair view of the state of affairs of Nkabune Technical Training Institute for and as at the end of the financial year ended on June 30th, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting year; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Nkabune Technical Training Institute ; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

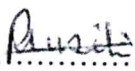
Approval of the financial statements

The Nkabune Technical Training Institute financial statements were approved by the Board on 10th Nov 2025 and signed on its behalf by:

Signature.....

Name: Samson Raiji

Chairperson of the Board

Signature.....

Name: Peninah Ngina Musili

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 NKABUNE TECHNICAL TRAINING INSTITUTE 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 Nkabune Technical Training Institute set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and

7

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 Nkabune Technical Training Institute as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.393,650,927 as disclosed in Note 19 to the financial statements. This reflects an increase of Kshs.268,298,554 or 214% as reported in the prior year. However, the students' debtors had been outstanding for over three hundred and Sixty (360) days. In addition, although Management provided for bad and doubtful debts, the provision may not be sufficient since there is no evidence of previous recoveries of the debts. Further, the Institute did not have an approved debt management policy to provide guidance on how the debts may be recovered and how much or what percentage of provisions should be made for bad and doubtful debts.

In the circumstances, the accuracy and recoverability of student debtors balance of Kshs.393,650,927 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.404,884,890 and Kshs.206,787,816 respectively resulting to an under-funding of Kshs.198,097,074 or 49% of the budget. Similarly, the Institute spent Kshs.198,444,508 against actual receipts of Kshs.206,787,816 resulting to an under-utilization of Kshs.8,343,308 out of the actual receipts.

2. Delayed Disbursement of Student Capitation Funds

Review of student capitation funds disbursement schedules provided for audit revealed that Nkabune Technical Training Institute received less than the allocated amount of funds. The funds released for the year under audit is Kshs.43,196,798 out of Kshs.52,830,71 for a population of one thousand, four hundred and forty (1,440) eligible trainees resulting in outstanding balance of Kshs.9,633,913 relating to the financial year ending 30 June, 2025.

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

My opinion is not modified in respect of these matters.

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 were no key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance as summarized in **Appendix I**. However, review of the status during audit revealed that the following matters remained unresolved as at 30 June, 2025.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non - Compliance with the Law on Staff Ethnic Composition

During the year under review, twenty-eight (28) or 90% out of the thirty-one (31) non-teaching staff, nineteen (19) or 73% of the twenty-six (26) BOG teaching, twenty-five (25) or 66% out of fifty-eight (58) of Public Service Commission trainers and twenty-five (25) or 66% Interns belonged to 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 people of Kenya in employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

2. Failure to Stagger Appointment and Re-appointment of Members of Board of Governors

The statement of financial performance as disclosed in Note 13 to the financial statements, reflects an amount of Kshs.5,846,000 in respect of Board expenses. However, as previously reported, review of files of Board of Governors revealed that all Members of the Board were appointed on 18 January, 2023 contrary to Section 7(2) of the Technical and Vocational Education and Training Act, 2013 which mandates the Cabinet Secretary to stagger the commencement dates to ensure continuity in the affairs of the Board when appointing or re-appointing Members of Board of Governors.

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

3. Non – Compliance with the Public Procurement Capacity Building Levy Order

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and the Board of Governors

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

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

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

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

The Board of Governors is responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how Management monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 November, 2025

Appendix; Unresolved Prior Year Matters

S/No	Year	Description
1	2023/2024	Long Outstanding Receivables from Exchange Transactions
2	2023/2024	Non-Compliance with Law on Staff Ethnic Composition
3	2023/2024	Failure to Dispose of Obsolete Assets
4	2023/2024	Failure to Stagger Appointment and Re-appointment of Members of Board of Governors

NKABUNE TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements for the Year ended 30th June 2025

Statement of Financial Performance for the Year Ended June 30, 2025

Descriptions	Notes	Year ended June 30th	Year ended 30th June
		2025	2024
		Kshs	Kshs
Revenue from Non Exchange transactions			
Grant from donors and development partners			
Transfer from other level of government	6	52,851,503	22,448,183.0
Public contributions and donations			
Total from Non Exchange transactions		52,851,503	22,448,183
Revenue from Exchange transactions			
Rendring of services- fees from students	7	351,865,710	118,946,009
Sale of goods	8	754,170	1,134,375
Rentl revenue from facilities and equipment	9	4,917,530	1,498,920
Other income	10	157,432	2,130,917
Total Revenue		410,546,345	146,158,404
Expenses			
Use of goods and services	11	165,330,129	81,701,798
Employee costs	12	29,734,586	31,218,866
Board Expenses	13	5,846,000	3,375,500
Depreciation and amortization expense	14	26,502,333	20,638,182
Repairs and maintenance	15	14,100,176	4,929,279
Contracted services	16	4,732,338	3,720,684
Provisions	17	12,554,444	3,760,572
Revaluation loss	22	10,654,704	0
Total Expenses		269,454,710	149,344,881
Net Surplus for the period		141,091,635	-3,186,477

The notes set out on pages 6 to 29 form an integral part of the annual Financial Statements.

Sign .....

Samson Raiji
Chairman of Board of Governors

Date: 13/11/2025

Sign .....

Zachary Doris Kinya
Finance Officer
ICPAK No 22260

Date: 18/11/2025

Sign .....

Peninah Ngina Musili
Principal

Date: 18/11/20

NKABUNE TECHNICAL TRAINING INSTITUTE
Annual Reports and Financial Statements for the Year ended June 30, 2025

15. Statement of Financial Position as At June 30, 2025

Description	Notes	Year ended 30th June 2025	Year ended 30th June 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	18	13,025,283	4,681,975
Current portion of receivables from exchange transactions	19	393,650,927	125,352,373
Receivables from non-Exchange transaction	19	10,654,704	0
Inventories	20	6,158,451	15,675,139
Total current assets		423,489,365	<u>145,994,487</u>
Non-Current Assets			
Property, plant, and equipment	22	535,676,562	523,005,940
Intangible assets	23	1,728,680	3,025,190
Biological Assets	21	285,000	285,000
Total non-current assets		537,405,242	<u>526,031,130</u>
Total Assets		960,894,608	<u>672,025,617</u>
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	24	19,453,090	19114862
Refundable deposits from students	25	1,994,500	619,300
Current provisions	17	18,119,253	1,804,237
Total Liabilities		39,566,843	<u>21,538,399</u>
Net assets		921,327,765	<u>650,487,218</u>
Represented By:			
Reserves		655,315,907	562,724,032
Accumulated Surplus		266,011,858	87,763,186
Total liabilities capital and reserves		921,327,765	<u>650,487,218</u>

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

Sign 

Samson Raiji

Chairman of Board of Governor

Date: 18/11/2025

Sign 

Zachary Doris Kinya

Finance Officer

ICPAK No 22260

Date: 18/11/2025

Sign 

Peninah Ngina Musili

Principal

Date: 18/11/2025

NKABUNE TECHNICAL TRAINING INSTITUTE

Annual Reports and Financial Statements for the Year ended 30th June 2025

Statement of Changes in Net Asset for the Year Ended June 30, 2025

Description	Revaluation reserve	Accumulated Fund	Capital	Total
			Grants/Fund	
At July 1, 2023		90,899,633	562,724,032	506,435,752
Revaluation gain				
Surplus/(deficit) for the year				15,825,957
Capital grants received during the year		-3,136,477		
Transfer of depreciation/amortisation from capital fund to				
Retained earnings				
At June 30th June		87,763,186	562,724,032	650,487,218
At July 1, 2024		87,763,186	562,724,032	650,487,218
Revaluation gain/loss		10,654,704		10,654,704
Surplus/(deficit) for the year		141,091,635		141,091,635
Transfer of depreciation/amortisation from capital fund to		26,502,333	-26,502,333	0
At June 30, 2025	0	266,011,858	655,315,907	921,327,765

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Annual Reports and Financial Statements for the Year ended 30th June 2025

17. Statement of Cash Flows for the Year Ended June 30th, 2025

Descriptions	Note	year ended 30th	year ended 30th
		June 2025	June 2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Capitation/scholarship		42,196,799	
Rendering of services- Fees from students		158,761,886	103,372,618
Sale of goods		754,170	1,134,375
Rental revenue from facilities and equipment		4,917,530	1,498,920
Other income		157,432.00	2,130,917
Total Receipts		206,787,817	108,136,830
Payments			
Compensation of employees		29,734,586.2	31,218,866
Use of goods and services		132,508,195.0	68,467,612
Board Expenses		5,846,000.0	3,375,500
Repairs and Maintenance		11,729,597.0	4,511,329
Contracted Services		4,732,338.0	3,720,684
inventory payments			8,527,845
previous year liability			5,023,864
Total Payments		184,550,716.2	124,845,700
Net Cash Flows from operating activities	29	22,237,100	-16,708,870
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		13,893,792	0
Refundable deposit from customers			-4200
Net cash flows used in investing activities		8,343,308	-4200
Cash flows from financing activities			0
Proceeds from borrowings			0
Net cash flows used in financing activities			0
Net increase/(decrease) in cash and cash equivalents		8,343,308	-16,713,070
Cash and cash equivalents at 1 JULY 2024		4,681,975	21,395,045
Cash and cash equivalents as at 30th June 2025		13,025,283	4,681,975.00

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Annual Reports and Financial Statements for the Year ended 30th June 2025

13. Statement of Comparison of Budget and Actual Amounts for the Year Ended June 30, 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfer from other national government entities /capitation	52,851,503	0	52,851,503	42,196,799	10,654,704	80
Rendering of services- fees from students	336,868,840	11,568,497	348,437,337	158,761,885	189,675,452	54
Sale of goods	1,456,550	-656,550	800,000	754,170	45,830	94
Rental revenue from facilities and equipment	1,643,950	656,550	2,300,500	4,917,530	-2,617,030	214
Other income	495,550	0	495,550	157,432	338,118	68
Total Income	340,464,890	64,420,000	404,884,890	206,787,816	198,097,074	
Expenses					0	
Use of goods and services	226,815,882	61,937,000	288,752,882	132,508,195	156,244,687	46
Employees cost	48,270,768	0	48,270,768	29,734,586	18,536,182	62
Board expenses	4,967,000	983,000	5,950,000	5,846,000	104,000	98
Repairs and Maintenance	20,000,000	-3,500,000	16,500,000	11,729,597	4,770,403	71
contracted services	5,661,240	0	5,661,240	4,732,338	928,902	84
Total Reccurrent Expenditure	305,714,890	59,420,000	365,134,890	184,550,716	180,584,174	
Capital items		0	0		0	
Acquisition of PPE	34,000,000	5,000,000	39,000,000	13,893,792	25,106,208	36
Acquisition of Intangible assets	750,000	0	750,000	0	750,000	0
Total Expenses Development	34,750,000	5,000,000	39,750,000	13,893,792	25,856,208	35
Total Expenses	340,464,890	64,420,000	404,884,890	198,444,508		

NOTES

1. On revenue from hire of facilities and equipment the actual receipt is more than the budget because our facilities were hired more toward the end of the year.

19. Notes to the Financial Statements

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

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

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

3. Adoption of new and revised standards

***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.**

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Annual Reports and Financial Statements for the Year ended 30th June 2025

Standard	Effective date and impact:
<p>PSAS 43: Leases</p>	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>PSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>PSAS 45: Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p>Applicable 1st January 2025</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>IPSAS 47: Revenue</p>	<p>Applicable 1st January 2026</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</p>

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	useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	Applicable 1st January 2026 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.
IPSAS 49: Retirement Benefit Plans	Applicable 1st January 2026 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <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.

iii Early adoption of standards

Nkabune Technical Training Institute did not early-adopt any new or amended standards in year 2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive

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income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

i) 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 year.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on 31/01/2024. 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 in order to conclude the final budget. Accordingly, the entity recorded some additional appropriations on the FY 2024/2025 budget following the Board's approval on 17/3/2025

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 a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented in the financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes.

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.

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 year of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

Property, plant and equipment

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

However, depreciation for the property plant and equipment is done using the following rates

1. Land 0%
2. Buildings 2%
3. Motor vehicle 10-16.67 %
4. Furnitures and fittings 12.5 %
5. Computers 30%
6. Plant and equipment 12.5%
7. Intangible assets 25%

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the 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 year in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite

n) 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 year of expected future benefit. During the year of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IFRS 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. 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (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.

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

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 benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

The Nkabune Technical Training Institute creates and maintains reserves in terms of specific requirements.

n) 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.

o) Employee benefits

Retirement benefit plans

The Nkabune Technical Training Institute 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.

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

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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.

) 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.

g) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

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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.

6. Transfers from other National Government entities

Description	Period ended	Comparative Period
	June 30 th 2025	
	Kshs	Kshs
Unconditional grants		
Capitation grants/Scholarship	52,196,798	22,448,183.00
Operational grant	0	0
Development grants	0	0
Other grants	0	0
Total	52,196,798	22,448,183.00
Conditional grants		
Library grant	0	0
Hostels grant	0	0
Administration block grant	0	0
Laboratory grant	0	0
Learning facilities grant	0	0
Other organizational grants	0	0
Total government grants and subsidies	52,196,798	22,448,183.00

7 RENDERING OF SERVICES

DESCRIPTION	AMT IN KSH	AMT IN KSH
	Year ended 30 th June 2025	Year ended 30 th June 2024
Personal Emoluments	55,667,401	17,667,885
Electricity, Water and Conservancy	17,053,630	4,885,461
Repairs, Maintenance and Improvement(RMI)	14,178,936	4,153,417
Activity	19,212,412	4,597,459
Medical	7,170,087	1,240,920
Insurance	1,286,875	2,486,650
Local Travel and Transport (LT&T)	16,982,019	4,249,241
Gratuity	276,800	753,038
Internet	554,400	1,608,700
Student Welfare	1,639,350	736,062
Attachment	1,417,050	4,114,150
Hostel fee	5,103,500	5,135,000
Cautions Money.	1,994,500	
Registration fee	2,071,650	127,500
Student ID Card	2,179,638	124,650
Application fees		173,500

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Practical Materials	28,892,640	9,176,000
Examination Fee	31,271,127	12,417,120
Student Arrears	88,645	
PTA Development	1,080,250	3,019,500
Meals	11,449,090	11,821,096
Capitation.	18,960	
EQUIPMENT CHARGES	1,235	
Uniform.	403,750	537,230
Special Exams	12,000	
Tveta fees	2,135,700	287,500
Admission Fees	2,000,000	
Application and Trainee Id	4,550	
tuition fees	125,102,515	29,633,930
Damages	2,617,000	
Total rendering of services	351,865,710	118,946,009

8. SALE OF GOODS

Description	Year ended 30 th June 2025	Year ended 30 th June 2024
	Kshs	Kshs
Sale of Farm Produce	10,510	163,559
Cafeteria Sales	743,660	970,816
	754,170	1,134,375

9. HIRE OF FACILITIES AND EQUIPMENT

Description	Year ended 30 th June 2025	Year ended 30 th June 2024
	Kshs	Kshs
Hire of Facilities	2,781,290	861,530
Staff House Rent	2,079,740	603,490
Guest house	56,500	33900
Total	4,917,530	1,498,920

10. OTHER INCOME

Description	PERIOD ENDED JUNE 30TH 2025	COMPARATIVE PERIOD
	Kshs	Kshs
Library fines	4,600.0	2,905.0
Photocopying Services	24,552.0	126,042.0
Computer Packages	39,600.0	142,200.0
Student meal card replacement	3,100.0	4,150.0
Equipment Charges	2,600.0	12,080.0
Graduation.	0.0	1,747,700.0

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Other Incomes/Dispensary	23065	75,610.0
Cosmetology unit	22,850.0	8,930.0
Disposal	23,065.00	11,300.00
Sale of Tenders	14,000.00	0
Total other income	157,432.0	2,130,917

11. USE OF GOODS AND SERVICES

DESCRIPTIONS	YEAR ENDED JUNE 30TH 2025	YEAR ENDED JUNE 30TH 2024
	KSHS	KSHS
tuition (SES) Expenses	20,535,512	5,266,509
Local Transport & Travel	5,680,250	5,671,002
Administration Expenses	18,224,812	5,717,235
Electricity Water and Conservancy	3,949,829	3,334,735
Medical Expense	611,911	412,316
Activity Expense	9,913,316	2,291,481
Internet/ICT Expense	1,335,310	1,588,278
Student Council	1,253,405	970,446
Examination	28,232,760	9,081,657
Tender expenses	0	34,000
Rent of Facility	30,000	
Uniform	1,073,025	135,750
Student Meals	19,930,523	12,414,589
Cost of Production Unit/ Uniforms	1,275,265	1,129,843
Insurance Expense	1,220,105	1,540,653
Graduation	0	2,393,535
Fuel & Oil Expenses	6,186,718	4,346,837
Practical materials expense	33,290,728	8,867,643
Hospitality Practical Materials	0	8,473,582
Hostel expense	2,918,900	3,294,460
Food & Beverage Production Unit	8,195,560	2,761,798
Bank charges	56,700	47,689
Attachment Expense	654,500	1,528,400
Meru Hotel lease/rent	760,000	399,360
Production Unit Training Expenses	1,000	
TOTAL	165,330,129	81,701,798

12. EMPLOYEE COSTS

Descriptions	Year ended 30th June 2025	year ended 30th June 2024
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	Kshs	Kshs
Salaries and wages	29,593,049	30,024,940
Gratuity	141,537	1,174,616
Casual		19,310
Employee costs	29,734,586	31,218,866

13. Board expenses

Description	Year ended 30th June 2025	Year ended 30th June 2025
	Kshs	Kshs
Boar meeting allowances	5,316,000	3,375,500
Chairman's Honoraria	530,000	
Total director emoluments	5,846,000	3,375,500

14. DEPRECIATION AND AMORTIZATION

Description	YEAR ENDED 30TH JUNE 2024	YEAR ENDED
	Kshs	Kshs
Property, plant and equipment	25,205,821	19,341,672
Intangible assets	1,296,512	1,296,510
Total depreciation and amortization	26,502,333	20,638,182

15. REPAIR MAINTENANCE AND IMPROVEMENT

Description	Year ended June 30 th 2025	Year ended June 30 th 2024
	KShs	KShs
Property	8,096,455	4,929,279
Equipment and machinery	775,639	0
Vehicles	1,675,000	0
Furniture and fittings	133,980	0
Computers and accessories	602,274	0

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Other	2,816,828	0
Total repairs and maintenance	14,100,176	4,929,279

15. CONTRACTED SERVICES

Description	Year ended June 30th 2025	Year ended June 30 th 2024
	kshs	kshs
Security, cleaning and sanitary bin emptying	4,732,338	3,720,684
Total contracted services	4,732,338	3,720,684

16. Provision

Description	Year ended June 30th 2025	Year ended June 30 th 2024
Audit	kshs	kshs
Audit provision		
Balance at the beginning of the year	1,804,237	1,154,237
Additional provision during the year	650,000	650,000
Provision for bad debt		
Balance at the beginning of the year	3,760,572	
Computation 3% of debtors	11,904,444	3,760,572
Additional during the year		
Total provisions	18,119,253	5,564,809

18 A) CASH AND CASH EQUIVALENTS

Description	Year Ended June 30th 2025	Year ended June 30th 2024
	kshs	kshs
Current Account	13,025,283.0	4,681,975.0
Others specify	0.0	0.0
Total cash and cash equivalents	13,025,283.0	4,681,975.0

(b) DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

Financial institution	Account number	Year ended June 30th 2025	Year ended June 30th 2024
		Kshs	Kshs
a) Current account			
Cooperative Bank Main Acc.	01129022017100	1,424,677.00	302,270
Co-operative Bank Instant Acc.	01100022017100	8,584,583.00	3,204,835

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KCB Production Unit Acc.	1182909272	2,311,617.00	386,045
Kenya Commercial bank Development	1117245136	138,003.00	141,658
National Bank	01242039178000	369,302.00	370,502
c) cash in hand		197,101	276,665
Grand total		13,025,283.00	4,681,975.00

19 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	Period ended June 30 th 2025	Period ended June 30 th 2024
	Kshs	Kshs
Current receivables		
Student debtors	392,514,946.96	125,184,373.00
Rent debtors	1,135,980.00	84,000.00
Total current receivables	393,650,926.96	125,268,373.00

19.1 RECIEVABLES FROM NON EXCHANGE TRANSACTIONS

S/NO	Descriptions	Period ended June 30 th 2025
		Amount (kshs)
	Amount expected	52,851,503
	Actual amount received	42,196,799
	Receivables	10,654,704

20 INVENTORIES

Description	Year ended June 30 th 2025	Year ended June 30 th 2024
	KShs	KShs
Health unit	65,195.00	53,976
Cosmetology	454,043.00	375,540
Automotive	230,487.00	1,118,551
Library	2,776,282.00	7,147,394
Electrical	1,967,420.00	628,590
Fashion design	585,315.00	1,178,580
Food beverage	18,541.00	2,934,117

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House keeping	22,005.00	395,850
Stationeries		1,077,841
Store	15,468.00	359,280
Production unit	23,695.00	405,520
Total inventories at the lower of cost and net realizable value	6,158,451.00	15,675,239

2.1. BIOLOGICAL ASSETS

Description	Year ended June 30 th 2025	Year ended June 30 th 2024
	KShs	KShs
Dairy cows	285,000	285,000
Total	285,000	285,000

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22. PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs							
Depreciation Rate		2%	10-16.67%	12.50%	30%	12.50%		
At 1 July 2023	60,000,000	429,564,823	26,554,704	7,671,751	12,827,720	72,760,163		609,379,161
Additions								
Disposals								
Adjustments		5,222,431						5,222,431
Revaluation								
At 30th June 2024	60,000,000	434,787,254	26,554,704	7,671,751	12,827,720	72,760,163		614,601,592
Additions		7,958,892		941,900	259,000	1,490,000	3,244,000	13,893,792
Disposals								
Adjustments								
Revaluation loss			(10,654,704)					
At 30th June 2025	60,000,000	442,746,146	15,900,000	8,613,651	13,086,720	74,250,163	3,244,000	617,840,680
Depreciation And Impairment								
At 1 July 2024	-	27,647,304	-	2,743,298	6,763,408	16,560,287		53,714,297
Depreciation		8,854,923	2,066,905	1,076,706	3,926,016	9,281,270		25,205,821
Disposals								
Impairment								
At 30 June 2025		36,502,227	2,066,905	3,820,004	10,689,424	25,841,557		78,920,118
Net Book Values								
As at 30th June 2024	60,000,000	399,262,367	6,011,267	4,312,396	4,245,018	49,174,892		528,228,371
As at 30th June 2025	60,000,000	406,243,919	13,833,095	4,793,647	2,397,296	48,408,606		535,676,562

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. INTANGIBLE ASSETS-SOFTWARE

Description	YEAR ENDED 30TH JUNE 2025	YEAR ENDED JUNE 30 2024
	Amortisation rate (25%)	
Cost	Kshs	Kshs
At beginning of the year	6,380,000	6,380,000
Additions during the year	0	
At end of the year	6,380,000	6,380,000
Additions—internal development		
At end of the year	6,380,000	6,380,000
Amortization and impairment		
At beginning of the year	3,354,810	2,058,300
Amortization during the year	1,296,510	1,296,510
At end of the year	4,651,320	3,354,810
Impairment loss during the year	0	0
At end of the year	4,651,320	3,354,810
BV	1,728,680	3,025,190

24. TRADE PAYABLES

Description	YEAR ENDED JUNE 30 th 2025	YEAR ENDED JUNE 30 th 2024
	Kshs	
		Kshs
Trade and Other Payables	19,453,090	19,114,862
Total Trade and Other Payables	19,453,090	19,114,862

25. REFUNDABLE DEPOSITS FROM CUSTOMERS

Description	YEAR ENDED JUNE 30 2025	YEAR ENDED JUNE 30 2024
	Kshs	Kshs
Caution money	1,994,500	619,300
Total Deposits	1,994,500	619,300

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26. EVENTS AFTER THE REPORTING YEAR

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

27. ULTIMATE AND HOLDING ENTITY

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

28. CURRENCY

The financial statements are presented in Kenya Shillings (Kshs)

29. Cash generated from operations.

	Year ended 30th June 2025	Year ended 30th June 2024
	Kshs	Kshs
Surplus for the year before tax	141,091,635	
Depreciation	25,205,821	
Non-Cash grants received		
Contributed assets		
Impairment	1,296,512	
Revaluation loss	10,654,704	
Contribution to provisions	12,554,444	
Contribution to impairment allowance		
Finance Income		
Finance Cost		
Working Capital Adjustments		
Increase in Inventory	9,616,688	
Increase in Receivables	279,037,373	
Increase in Deferred Income		
Increase in Payables	338,228	
Increase in Payments received in advance		
Net Cash Flow from Operating Activities	22,237,100	

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29 Appendix II: Inter-Entity Transfers


Name of the MDA Transferring the funds	Date received	Nature: Recurrent	Total Amount – KES
MoE-State department for TVET-scholarship	23/09/2024	Recurrent	2,452,399
MoE-State department for TVET-scholarship	23/09/2024	Recurrent	1,673,006
MoE-State department for TVET-scholarship	23/09/2024	Recurrent	215,005
MoE-State department for TVET-scholarship	23/09/2024	Recurrent	3,104,132
MoE-State department for TVET-scholarship	24/09/2024	Recurrent	4,810,732
MoE-State department for TVET-Capitation	26/09/2024	Recurrent	3,549,000
MoE-State department for TVET-Capitation	23/09/2024	Recurrent	5,580,100
MoE-State department for TVET-Capitation	18/02/2025	Recurrent	20,812,425
TOTAL			42,197,373

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

Finance Officer

NTTI

Sign



Head of Accounting Unit

NTTI

Sign

