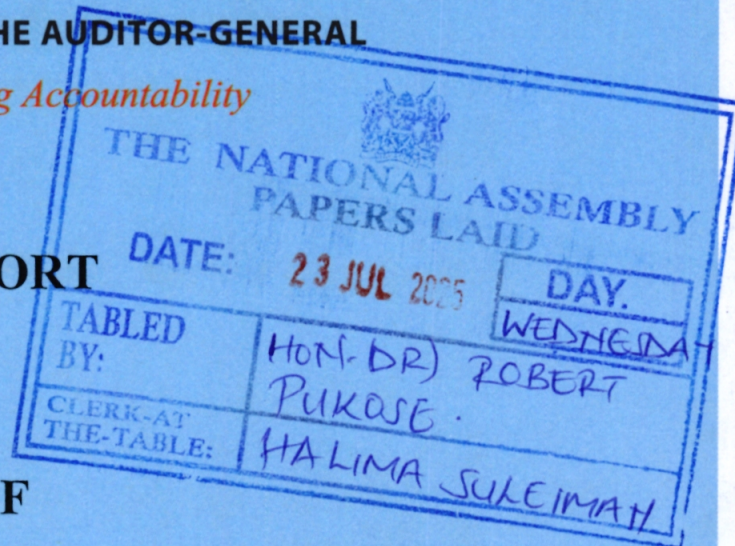
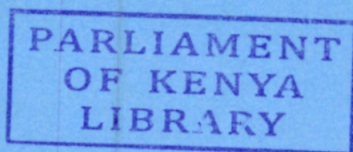
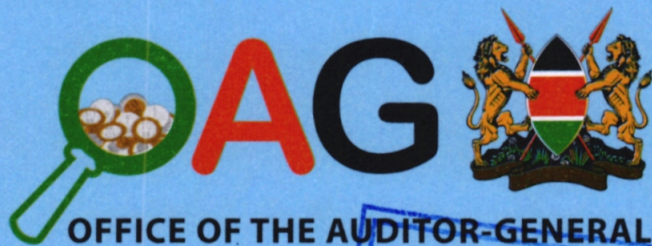


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**ENDEBESS TECHNICAL TRAINING
INSTITUTE**

FOR THE YEAR ENDED

30 JUNE, 2024



ENDEBESS TECHNICAL TRAINING INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2024**

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

Endebess Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

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1. Acronyms and Definition of Key Terms

A. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity
TVET	Technical & Vocational Training
TVETA	Technical & Vocational Training Association
KICD	Kenya Institute of curriculum Development
KNEC	Kenya National Examination Council

A. Definition of Key Terms

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

Comparative Year- Means the prior period.

Endebess Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

2. Key Entity Information and Management

(a) Background information

Endebess Technical Training Institute was incorporated/ established under the TVET Act on 24th January, 2017. The entity is domiciled in North Rift, Trans-Nzoia County, Endebess Sub-County - Kenya. The institute is under the Ministry of Education, State department of Vocational and Technical Training. The institute offers Technical and business education programmes at both diploma and craft certificate level. These programs are designed by KICD under the authority of the ministry of education and examined by KNEC and Government Trade Test (G.T.T). The mission of the institute is to provide quality and relevant technical entrepreneurial and management training for skills development.

(b) Principal Activities

The principal activity of Technical Institute is drawn from its vision to be a centre of excellence in technical skills development and Innovation. This enhanced through training and enhancing the practical aspects relevant to industry demand and needs.

In line with this it aims to train competent and innovative manpower in Technical and vocational disciplines to meet the needs of industry and society and the country's goal in the achievement of the objectives of VISION 2030.

(c) Key Management

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

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Management.

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Mr. Daniel Kakusha Kamatei.
2.	Deputy Principal –Administration	Dr. Richard Onsumu
3	Deputy Principal Academics	Dr. Boiyo Florence Misiko
4	Registrar	Mr. Philip Tum (Ag)
5	Dean of students	Mrs. Daisy Bundotich (Ag)
6	Head of Finance	Mr. Ndiwa John Kiplimo
	Human Resource Officer	M/s Mercy Sirwo
7	Head of Procurement	Mr.Oscar Misiko

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Academic Committee

This committee comprises of all members of Top management and Heads of Department.(HODs).The main activity of this committee is to monitor teaching and training by the trainers. The committee is headed by the Deputy Principal academics. There operations are guided by Academic Policy.

Human Resource Advisory committee.

This committee is tasked with recruitment, terms of contract and enumeration for the staff employed under the Board of Governors. Their mandate and operation framework is in the human Resource Policy document.

Asset Management committee

This committee is tasked with identify and managing all the institute assets. They maintain an inventory of all the assets including, all furniture's, computers, Tractors and farm implements, and all workshop equipment's. This is inclusive of all equipment's that were bought or was acquired through donor donations or government's grants.

It's headed by the Performance contracting Officer with other members and its activities are reported by its vocal person.

(f) Entity Headquarters

P.O. BOX 190-30201
ENDEBESS
KITALE-ENDEBESS-SUAM ROAD / HIGHWAY
TRANS-NZOIA COUNTY, KENYA
ENDEBESS SUB-COUNTY

(g) Entity Contacts

Telephone: (+254)740583700/0722920832
E-mail: endebsstechnical@gmail.com
Web site: <http://endebsstechnical.ac.ke>

(h) Entity Bankers

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

Endebess Technical Training Institute
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1. Barclays Bank of Kenya.
Kenyatta Street.
P.O. Box 30120.
Kitale, Kenya
2. Kenya Commercial Bank.
Kenyatta Street.
P.O Box Kitale, Kenya.
3. Equity Bank.
Kenyatta Street.
P.O Box 75104.
Kitale, Kenya.

(i) Independent Auditors

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

Key Entity Information and Management (Continued)

(j) Principal Legal Adviser

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

3.The Council/Board of Governors

SN.	Member/ Director	Details
1.	 Dr. Michael Kitiyo. BoG Chairman	Dr. Micheal Kitiyo was born in 1949. He Holds MBA/Dip Tele communication Engineering. He works as an at Engineer Malaba-Keya and partners Architects ltd, He has over 10years working Experience, Chairman kenya chamber of commerce for 5years..
2.	 Mrs. Ruth Khasandi Efetha.	Mrs. Ruth was born in 1986. She holds LLB and works with Buluma and company Advocate, Kivai and Co. advocates with over one-year experience.
3.	 M/s. Angeline Mutisya.	Mrs. Angeline Mutisya was born in 1972. Angeline holds BSC Micro Biology/DIP Medical lab technology and work as a director at Davengel Enterprises ltd with work experience of over 6 years.
4.	 Mr. Abraham Kiboki	Mr. Abraham Kiboki was on 1975. He holds Bed (Science), Egerton University and Has passed CPA part Two.
5.	 Eng. Philip Pkenden Ndiwa	Mr Philip Pkenden Ndiwa was Born on 05th feb, 1958. He Holds MBA-Planning & Management UON, Bsc.Education Tech-Moi University, and Diploma in M.V.T Part III Kenya Polytechnic.
6.	 Dr. Mourice Rotich Cherogony	Dr. Mourice Rotich Cherogony was Born on 21 st feb, 1966. He Holds a Degree in Vert. Medicine UON Hes the Area Manager ADC-Kitale Branch
7.	 Prof. Peter Beerachesebe Kibas	Prof. Peter Beerachesebe Kibas was Born on 05th May, 1952. He Holds a Phd. Entrepreneurship-illnois USA, MED,BED-business Studies-University of News Bronswik Canada,SI-Teachers Certificate KU,PG certificate in distance Learning UON.
8.	 Daniel Kakusha Kamatei Principal/ Secretary to the Board	Mr Daniel Kakusha was Born on 10th Jan, 1970. He Holds BSc, PGDE (MATHS /CHEM) and Diploma in Business Mgt(K.I.M)

4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	<i>Daniel Kakusha Kamatei Principal/ Secretary to the Board</i>	-Head of Institution -Hes the Accounting Officer -Hes the Secretary to Board of Management -Training in the subject Specialization
2.	<i>Dr.Richard Onsomu Deputy Principal – Administration</i>	- Training in the subject Specialization -Taking charge of Institution administration -
3.	<i>Dr.Boiyo Florence Misiko Deputy Principal - Academics</i>	-Supervision of Tuition programmes - Training in the subject Specialization -Supervision and maintance of proper inventories
4.	<i>Mr.Philiph Tum (Ag-Registrar)</i>	- Training in the subject Specialization -Admission of students -Incharge of curriculum implementatation -Head of Linkages and Marketing
5.	<i>Mr.John Ndiwa Kiplimo (Finance Officer)</i>	-Head of Finance department -Prepare books of Accounts -Bank statements Reconciliation -Prepare budgets -Preparing payment schedules
6.	<i>M/s Daisy Bundotich (Ag-Dean Of Students)</i>	- Training in the subject Specialization -In charge of catering & accommodation, - Organize and conduct periodic free and fair student's council elections.

5. Chairman's Statement

The institution faces a myriad of challenges to mention but a few, lack of well-equipped science laboratory, lack of piped water, few classes, limited accommodation facilities and limited land for expansion and agricultural fields for trainers, all of which require funds. Irregular cash flows in form of M.O.E capitation and unfulfilled promises from CDF for bursaries, to poor and needy students who form the bulk of the student population has not done much to improve the much-needed infrastructure.

Equipping of the institutions laboratory which hampered technical training has affected the institution mandate in its motto to develop skills and personal for market and industry. This inadequacy has to the institution spending much of its resource in purchasing the critical equipment's for the science spheres offered. This has greatly affected even on the introduction of more current courses/academic programmes. This would have indeed increased on the enrolment third fold, but nevertheless there's has still been gradual and steady enrolled for the programmes offered.

Water shortage has persisted since the inception of the institution, despite the various efforts put forward by the board of governors and management. Water from the borehole sunk in the 2021/22 financial year isn't enough to run the institution especially during the dry seasons of the year. Also the piped water done by the County Government of Trans-Nzoia running from the springs of Chorlim ADC farm isn't reliable too. There have been breakages of pipes hence water not able to reach the storage tank at the institution. In order to curb this water shortage, the institute did fabricate a water boozier of 8000 litres and pulled by our tractor. This is currently providing a temporary reprieve though a lot of funds are incurred for purchase of fuel (Diesel) in order to transport the required litres of water. This has got financial implication in the purchase of fuels (both diesel for tractor and petrol for generator. Another requirement is manpower to do all this exercise.

Limited number of classes as said in the previous financial year is still a tall order for the institution. An ultra-modern tuition block is required and deliberate efforts must be done to achieve this especially in the financial years ahead.

The completion of the female hostels was a relieve but it cannot currently accommodate all the female students. Since most of the trainees come from the surrounding with humble backgrounds, the cost of accommodation is still too high for them. This has forced most of our trainees to look for alternative accommodation in the nearby informal sectors. The alternative accommodation is still kilometres away

Endebess Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

from the institute with poor roads network thus posing difficulties for staff and students access the institute during rainy seasons. The area Member of County Assembly is still looking into this and we expect that good roads will be done to ease access into and out of the institution.



.....
Chairman Board of Governors

6. Report of the Chief/Senior Principal

The financial year 2023/2024 was characterized by increased enrolment into the various courses/programmes that were being offered by the institute. The gradual rise in this was as result of the country's deliberate efforts of enhancement of technical empowerment to the growing market for skilled labour.

This led to consistent financial strain to the resources that are not adequate from the funding agency – Government of Kenya.

In the year, the plan was to realigned Governments priority policies with specific reference to the Vision 2030 and the Big 4 agenda which forms the agenda for transforming Kenya to a mid-level industrial country.

With all this ambitions, there's great efforts to invest on Technical courses which is capital intensive on terms of acquisition of training materials and equipment's. The institution acquired more learning materials and equipping our labs with modern equipment's. This was dismally done because of lack of enough resources to equip and modernise of labs to the state of art status in which its being critically being looked into.

The institution managed to continue to improve on its repairs and maintenance. There was additional fabrication of 50 lecture chairs and 30 beds. This was a great milestone.

The on-going construction of the Females hostels together with the Multipurpose hall that will serve as a dining Hall unsuited with a modern kitchen progressed on well. Except for minor works to be done, the project was deemed complete in which arrangements for Grand opening and use of the same was on a higher notch.

Amidst all the financial challenges the entity went through, it was able to full fill its mandate of training and subjecting students to various examination series (March, July and November examination series.

The institution faces a myriad of challenges as mentioned by the chair that are but not limited to but a few, lack of well-equipped science laboratory, lack of piped water, few classes, limited accommodation facilities and limited land for expansion and agricultural fields for trainers, all of which require funds. Irregular cash flows in form of M.O.E capitation and unfulfilled promises from CDF for bursaries, to poor and needy students who form the bulk of the student population has not done much to improve the much-needed infrastructure



.....
Principal / Secretary of the Board



Endebess Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

7. Statement of Performance against Predetermined Objectives

In its attaining of its objective, Endebess TTI has look through aspects that promotes its mandates through Quality and relevance engagement with all the stakeholders government of Kenya included. This will strengthen institutional human and organizational capacity as its objectives are met.

The institution which is heavily dependent on Government for funding its development and recurrent expenditure performed averagely towards attaining of this.

Endebess TTI which has 10 strategies objectives within its current Strategic Plan for the FY 2020- FY 2024 .The institution needs to position itself competitively in the market in order to realize her vision and mission. The strategic issues, objectives and strategies' were tailored to development and subsequent operations in the next five years.

Endebess TTI developed its annual work plans based on the above 10 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institute achieved its performance targets set for the FY 2022/23 period for its 4 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Vocational & Technical Programmes & quality teaching	To develop quality academic programmes and teaching pedagogy	-curriculum review reports -Implemented recommendation of review report	Evaluate existing vocational & Technical curricula through internal and external approach	Developed academic Policy document
Identifying, recruiting, training and developing quality staff	To attract, develop and retain highly motivated staff.	-Identify, recruit and retain relevant staff. -Develop human resource manual -Carry out continuous development	-Recruit staff who are qualified and competent	-Number of staff recruited -Qualification of staff -Staff establishment report
Learning facilities	To establish and maintain learning facilities, infrastructure and services	-ICT and Library Services -Development and Maintenance of Infrastructure and Facilities	-provide quality network infrastructure -improve level of library holdings	-Network upgrade in the institution -procure ICT equipments

Endebess Technical Training Institute
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HIV & AIDS pandemic and substance abuse	To provide a framework for addressing HIV and AIDS pandemic as well as substance abuse	-Policy on HIV/AIDS and substance abuse -Establish G& c office	Prevent discrimination and/or stigmatization of staff and Trainees because of real or perceived HIV and substance abuse status.	-Policy on HIV/AIDS -Established office of G& C -
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8. Corporate Governance Statement

The current governance and leadership structure and system needs to be continuously reviewed to serve the challenging, dynamic and competitive environment in which Endebess TTI is operating. The Institution's governance and leadership should embrace prudent and more business-like approach in its management in order to seize the emerging opportunities.

A Board of Governors (BOG) is a governing body that helps manage the school's vision, policies, and performance. BOGs also work to improve the school's community relations and involve all the stakeholders.

The responsibilities of a BOG include but not limited to; Managing finances, Monitoring performance, manage the school's budget and raise funds for projects. Its also mandated with Recruiting and managing staff. The institution resources are managed by the board. BOGs are legally mandated by the Ministry of Education, its membership is voluntary

The members of the board are appointed through a transparent process where stakeholders are involved and reputable members of the public are drawn from the various categories

The members of the board are drawn from the following categories

-Chairpersons, Leadership, Finance, Technology, Industry, Engineering and ICT/law. From each category, three members are nominated and forwarded to Permanent Secretary (PS) for final nominations and appointments.

They are then appointed and issued appointment letters. After receipt of appointment letters, members acknowledge through acceptance of the appointments. Immediately after acceptance, the members are inaugurated into the Board .This is activity is undertaken by the County TVET director.

This is followed by an induction training which is normally between 2-3 days and carried out by trained facilitators on matters governance.

The Board of management will be ready to discharge on their mandate. They shall then constitute themselves into operative committees namely; Finance, Administration and Infrastructure development committee, Education training and Research and audit, Risk and Compliance.

The board did hold meetings in the course of the term. During this meeting that were held every member was entitled to sitting allowance of Kshs.8,000 for members and kshs, 10,000 for the chairperson.

9. Management Discussion and Analysis

The institute has been able to operate for the entire period though with financial challenges but it has been able to fulfil its mandate of imparting technical skills to learners. The institution faces a myriad of challenges to mention but a few, lack of well-equipped science laboratory, lack of piped water, few classes, limited accommodation facilities and limited land for expansion and agricultural fields for trainers, all of which require funds. Irregular cash flows in form of M.O.E capitation and unfulfilled promises from CDF for bursaries, to poor and needy students who form the bulk of the student population has not done much to improve the much-needed infrastructure.

A number of investments were earmarked to be undertaken but because of limited resources a few were achieved. Completion /partial completion of the multipurpose hall together the female students were among the completed projects.

Fabrication of lecture chairs and beds for newly completed female hostels were successfully undertaken. The completion of the sewage line for the new female hostel was done. Purchase of more equipment's for our laboratories was undertaken and more so the purchase of all requirements for practical's during national examinations.

The institute has complied with statutory requirements. The operating acts from the M.O.E are in place, Safety standards; curriculum implementation from the MOE is being adhered to. The Kenya Constitution and its guidelines are being adhered to.

The risk factors facing the institution are constant review of curriculums which is causing a lot of uncertainty in implementation of the already established curriculum.

Also the high rates of students drop out from the surrounding high schools (Sabwani and Sabwani girls) possess a challenge in the drop in enrolment, because most of the students are from the surrounding high schools from endebess Sub-County.

The funding model is posing a risk to admissions because the area is occupied by casual laborers working at the nearby ADC and Kenya Seed farms. Revised fee guidelines by the ministry of Education has lots unpredictability in the student's enrolments.

The economic activities of the surrounding possess a risk to the institution because affordability of technical Education to the natives is subject to their economic wellbeing to afford technical education.

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

Sustainability which is the management and coordination of environment, financial social and economic resources to ensure success and continuity of the institution. Social, environmental and economic demands are considered as they greatly influence operations and sustainability of the institution. A sustainable organization is an organization that plans ahead. For sustainability purposes, an organization has to put forward a strong argument as to why it needs to be in place. The future of an organization depends highly on its capability to address problems within the community in which it plans to exist.

This has been addressed through involvement of all stakeholders in well-orchestrated marketing drive in the surrounding community. Outreach programmes spearhead by the local leaders will go well in ensuring suitability by having better enrolment for every intake. Prudent use of finances will ensure sustainability as this will build trust and confidence in the use of resources.

Environmental performance

The National Environmental Management Agency guidelines are being adhered to by the institution at all the levels for its operation. The institution is keen on its waste disposal even though such wastes are very less because the institution is still expanding and not so much wastes currently.

Employee welfare

In the matters of employment, Endebess Technical Training Institute is an equal opportunity employer. Hiring of employees is guided by the principles of the various job descriptions in strict compliance to the Human Resource Policy (2023). Their stake holder engagement and approvals for all vacancies declared or are available.

Every year, Appraisals are undertaken by the Human Resource Office and a report is put forward giving detailed information on performances per individuals, Gaps identified, strengths and weak areas.

The appraisal report details the on the areas of improvements, individuals requiring capacity building, retooling e.t.c.

Market place practices-

In the sphere of market place practice, the institute has ensured that competition is fair to all the stakeholders. In the discharge of its mandate, all biddings, marketing are done fairly, dupped with the slogan that the institution is corruption free and its service are available as outlined in the Service Chatter.

Good business practices are maintained by the organization by timely honouring its entire financial obligation to all its creditors, Suppliers or any other service provider. All the drawn contracts have been in spite of the financial challenges being experienced.

Corporate Social Responsibility / Community Engagements

During the year, quite a number of corporate social responsibilities undertaken. The Institute community (All staff and Students participated in the community cleaning exercise at the Endebess market. The exercise clearly illustrated to the community on the need to live in a clean environment. This has been accepted and the element of cleanliness adopted in the surrounding community.

Tree planting is an activity in which the surrounding community has not been left. the institution which received tree seeds and after the establishment of the seedling nursery, there was a community outreach in which members of the public together with staff and students planted trees in the compounds of neighbouring persons, along highways and feeder roads.

There's has been a visit by members of staff and students to the sick/admitted patients at Endebess sub- County hospital on numerous occasions.

Endebess Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

11. Report of the Council/Board of Governors

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

Principal activities

The principal Activities of the Technical Institute is drawn from its vision to be a centre of excellence in technical skills development and Innovation. This enhanced through training and enhancing the practical aspects relevant to industry demand and needs.

In line with this it aims to train competent and innovative manpower in Technical and vocational disciplines to meet the needs of industry and society and the country's goal in the achievement of the objectives of VISION 2030.

Board of Governors

The members of the Board who served during the year are shown on page (VII). During the year no director retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of the *Endebess Technical Training Institute* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *Endebess Technical Training Institute* for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary Board Of Governors, Endebess TTI

Date: 24th Nov 2024



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

The Board of Governors shall continuously prepare financial statements in respect of that *Endebess T.T.I*, which give a true and fair view of the state of affairs at the end of the financial year/period and the operating results of *Endebess T.T.I* for that year/period. The Board members shall ensure that *Endebess T.T.I* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Institution*. The council members are also responsible for safeguarding the assets of the *Institution*.

(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)

The Board Members have prepared and presented *Endebess T.T.I* financial statements, which give a true and fair view of the state of affairs of the *Endebess T.T.I* for and as at the end of the financial year ended on June 30, 2024. The Board has done the above by undertaking the following: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the *Institution*, (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for *Endebess T.T.I* 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 *and the TVET Act of 2013*). The Board members are of the opinion that *Endebess T.T.I* financial statements give a true and fair view of the state of *Institutions* transactions during the financial year ended June 30, 2024, and of the *Institutions* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *Institution*, which have been relied upon in the preparation of the *Institutions* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the *Endebess Technical Training Institute* ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that the *Institution* will not remain a going concern for at least the next twelve months from the date of this statement.

Endebess Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

Approval of the financial statements

The entity's financial statements were approved by the Board on 22TH NOVBER 2024 and signed on its behalf by:


.....

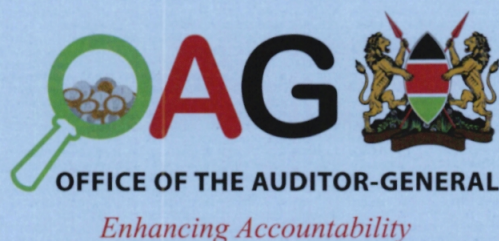
Name: Dr. Michael C. Kitiyo
Chairperson Board Governors



.....
Name: Daniel Kakusha Kamatei
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON ENDEBESS TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; 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 Endebess Technical Training Institute set out on pages 1 to 53, which comprises of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in

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

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

Basis for Qualified Opinion

1. Understatement of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.48,828,710 as disclosed in Note 32 to the financial statements. However, review of records revealed that the Institute stands on a five (5) acres parcel of land allocated by the Agricultural Development Corporation (ADC) and a total of five (5) tractors donated by the Ministry of Education. However, their values have not been determined and included in the financial statements. Further, the Institution does not have the title deed of the parcel of land while the tractors do not have registration number plates and log books.

In the circumstances, the accuracy, ownership, existence and completeness of property, plant and equipment balance of Kshs.48,828,710 could not be confirmed.

2. Unsupported Biological Assets

The statement of financial position reflects biological assets balance of Kshs.455,000 as disclosed in Note 35 to the financial statements. However, the Institute did not carry out annual physical verification of the assets to match the recorded assets with physical existence. Further, there is no stock movement schedule of biological assets to support the value at the end of the year.

In the circumstances, the accuracy, completeness and existence of the biological assets balance of Kshs.455,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.78,548,999 and Kshs.57,023,442 respectively, resulting in an underfunding of Kshs.21,525,557 or 27% of the budgeted receipts. Similarly, the statement reflects budgeted expenditure of Kshs.78,548,999 against actual expenditure of Kshs.29,474,196 resulting in an under-expenditure of Kshs.49,074,803 or approximately 63% of the budgeted expenditure.

The under-funding and under-expenditure affected the planned activities and may have impacted negatively on the Institute's performance and service delivery

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page ii to xix which comprise of Key Information and Management, the Board of Governors, Key Management Team, Chairman's Statement, Report of the Principal, Corporate Governance Statement, Management Discussion and Analysis, Report of the Board of Governors and Statement of Board of Governors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Approve the Budget

During the period under review, it was established that the Board of Governors approved the revenue and expenditure budget of Kshs.78,549,000 on 14 July, 2023. However, there was no evidence to indicate that the budget was approved by the Cabinet Secretary at the Ministry of Education as required by Section 22(1) of the Technical and Vocational Education and Training Act, 2013.

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

2. Late Submission of Annual Report and Financial Statements

The annual report and financial statements for the year ended 30 June, 2024 were submitted to the Auditor General on 25 February, 2025. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements should be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

3. Non-Compliance with the One Third Rule on Staff Composition

Review of human resource records and staff biodata revealed that the Institute had a total of one hundred and fifty-eight (158) teaching and non-teaching staff out of which ninety-nine (99) or 65% from the same ethnic community. This was contrary to Section 7(1) and (2) of National Cohesion and Integration Act, 2008 which requires all public establishments to seek to represent the diversity of the people of Kenya in the 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.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy

During the year ended 30 June, 2024, Management did not provide any evidence that the Institute had a Risk Management Policy in place. This was contrary to Regulation 165 (1) of the Public Finance Management (National Government) Regulations, 2015 which requires Government entity to develop risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, lack of risk management policy may lead to non-identification of risks and appropriate measures to mitigate the risks.

2. Lack of Internal Audit Function

During the year under review, the Institution did not have an internal audit function/department in place. This was contrary to Regulation 160(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which provides for the establishment of an internal audit function to review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in the Institute.

In the circumstances, the effectiveness of the internal controls could not be confirmed.

3. Weaknesses in Information and Communication Technology Control Environment

Review of IT governance documents and interviews with Management revealed that the Institute did not have an approved Risk Management and ICT policies. Further, the Institute lacked an IT Strategy and IT Steering Committees to oversee the institution's IT assets, IT strategic plan and a formal, documented and tested emergency procedure in place. In addition, the Institute failed to secure an offsite backup location to enhance business continuity in case of a natural disaster or malicious damage of the Institute's data and information.

In circumstances, the effectiveness of the IT internal controls could not be confirmed.

4. Incomplete Fixed Assets Register

Review of the fixed asset register revealed that it was not updated and lacked important information such as the acquisition costs, opening balances and closing at the end of the year, serial numbers, models and makes. Further, Management did not maintain, approved detail orders, fuel register and work tickets for each of the five (5) tractors it owns.

In the circumstances, the effectiveness and reliability of internal controls on management of fixed assets could not be confirmed.

5. Failure to Establish an Approved Board Charter

Review of documents revealed that Management did not prepare and adopt the approved Board charter, that was to define the roles, responsibilities and functions of the Board in the governance of the Institution. This was contrary to Section 1(11) of The State Corporation Advisory Committee (SCAC), 2015 which provides that Board should develop and adopt a Board Charter which defines the responsibilities and functions of the Board in the governance of the organization.

In the circumstances, the effectiveness of the Board in governance of the Institute could not be confirmed.

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

Responsibilities of the Management and 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 sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 June, 2025

Endebess Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

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

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	13,616,000.00	11,321,000.00
Grants from donors and development partners	7	0.00	0.00
Transfers from other levels of government	8	0.00	0.00
Public contributions and donations	9	0.00	0.00
		13,616,000.00	11,321,000.00
Revenue from Exchange transactions			
Rendering of services- fees from students	10	32,098,919.00	13,909,856.00
Sale of goods	11	0.00	0.00
Rental revenue from facilities and equipment	12	0.00	113,000.00
Finance income	13	0.00	0.00
Other income	14	11,308,523.00	10,105,900.00
Revenue from Exchange transactions		43,407,442.00	24,128,756.00
Total Revenue		57,023,442.00	35,449,756.00
Expenses			
Use of goods and services	15	21,159,119.00	21,344,393.00
Employee costs	16	6,744,792.00	9,255,340.00
Board /Council Expenses	17	377,000.00	316,000.00
Depreciation and amortization expense	18	2,069,342.00	2,291,406.00
Repairs and maintenance	19	662,585.00	750,245.00
Contracted services	20	0.00	0.00
Grants and subsidies	21	0.00	0.00
Finance costs	22	0.00	0.00
Total Expenses		31,012,838.00	33,957,384.00
Other Gains/(Losses)			
Gain on sale of assets	23	0.00	0.00
Gain/ Loss on fair value of investments	24	0.00	0.00
Impairment loss	25	(0.00)	(0.00)
Total Other Gains/(Losses)		0.00	0.00
Net surplus/(deficit) for the year		26,010,604.00	1,492,372.00

Endebess Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

(The notes set out on pages 1 to 7 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 7 were signed by:

.....
Chairman of Council/Board

Date: 22TH NOVBER 2024



Date: 22TH NOVBER 2024

.....
Finance Officer
ICPAK No: 31606

Date: 22TH NOVBER 2024

Endebess Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

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

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	596,046.00	3,301,028.00
Current portion of receivables from exchange transactions	27(a)	41,587,281.00	21,171,006.00
Receivables from non-exchange transactions	28	0.00	0
Inventories	29	0.00	0
Investments in financial assets	30	0.00	0
Total Current Assets		42,183,327.00	24,472,034.00
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	0.00	0
Investments	30	0.00	0
Property, plant, and equipment	32(b)	48,828,710.00	50,160,654.00
Intangible assets	33	920,093.00	1,226,790.00
Investment property	34	0.00	0
Biological Assets	35	455,000.00	355,000.00
Total Non-Current Assets		50,203,803.00	51,742,444.00
Total Assets		92,387,130.00	76,214,478.00
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36	13,418,521.00	23,256,474.00
Refundable deposits from customers	37	0.00	0
Current provisions	38	0.00	0
Finance lease obligation	39	0.00	0
Deferred income	40	0.00	0
Employee benefit obligation	41	0.00	0
Payments received in advance	43	0.00	0
Current portion of borrowings	45	0.00	0
Social Benefits		0.00	0
Total Current Liabilities		13,418,521.00	23,256,474.00

Endebess Technical Training Institute
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Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Non-Current Liabilities			
Finance lease obligation	38	0.00	0
Deferred income	39	0.00	0
Non-Current Employee Benefit Obligation	40	0.00	0
Non-Current Provisions	42	0.00	0
Non- Current Borrowings	43	0.00	0
Service Concession Liability	44	0.00	0
Social benefits	45	0.00	0
Total non- current liabilities		0.00	0
Total Liabilities		13,418,521.00	23,256,474.00
Net Assets		78,968,609.00	52,958,004.00
Revaluation Reserves		0.00	0
Accumulated Surplus		26,566,343.00	555,738.00
Capital Fund		52,402,266.00	52,402,266.00
Total Net Assets and Liabilities		78,968,609.00	52,958,004.00

The Financial Statements set out on pages 1 to 7 were signed by:



Chairman of Council/Board



Principal



Finance Officer
ICPAK No: 31606
Date: 22TH NOVBER 2024

Date: 22TH NOVBER 2024

Date: 22TH NOVBER 2024

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	0.00	(936,634.00)	52,402,266.00	51,465,632.00
Revaluation gain	0.00	-	-	0.00
Surplus/(deficit) for the year	-	1,492,372.00	-	1,492,372.00
Capital grants received during the year	-	-	0.00	0.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0.00	(0.00)	-
At June 30, 2024	0.00	555,738.00	52,402,266.00	52,958,004.00
At July 1, 2023	0.00	555,738.00	52,402,266.00	52,958,004.00
Revaluation gain	0.00	-	-	0.00
Surplus/(deficit) for the year	-	26,010,605.00	-	26,010,605.00
Capital grants received during the year	-	-	0.00	0.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0.00	(0.00)	-
At June 30, 2024	0.00	26,566,343.00	52,402,266.00	78,968,609.00

Endebess Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

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

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		13,616,000.00	11,321,000.00
Grants from donors and development partners		0.00	0.00
Transfers from other levels of government		0.00	0.00
Rendering of services- fees from students		32,098,919.00	13,909,856.00
Sale of goods		0.00	0.00
Rental revenue from facilities and equipment		0.00	113,000.00
Finance income		0.00	0.00
Other income		11,308,523.00	10,105,900.00
Total Receipts		57,023,442.00	35,449,756.00
Payments			
Use of goods and services		21,159,119.00	21,344,393.00
Employee costs		6,744,792.00	9,255,340.00
Board /Council Expenses		377,000.00	316,000.00
Repairs and maintenance		662,585.00	750,245.00
Grants and subsidies		0.00	0.00
Total Payments		28,943,496.00	31,665,978.00
Net Cash Flows from operating activities	46	(2,174,282.00)	4,639,111.00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(430,700.00)	(2,016,400.00)
Proceeds from sale of property, plant and equipment		0.00	0.00
Purchase of the Biological Assets		(100,000)	0.00
Net cash flows used in investing activities		(530,700.00)	(2,016,400.00)
Cash flows from financing activities			
Proceeds From Borrowing		0.00	0.00
Repayment Of Borrowings		(0.00)	(0.00)
Net cash flows used in financing activities		(0.00)	(0.00)
Net Increase/(Decrease) in Cash and Cash equivalents		(2,704,982.00)	2,620,711.00
Cash and Cash equivalents at 1 JULY22	26	3,301,028.00	680,317.00
Cash and Cash equivalents at 30 JUNE23	26	596,046.00	3,301,028.00

Annual Report and Financial Statements for the year ended 30th June 2024

18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	35,726,160.00	0.00	35,726,160.00	13,616,000.00	-22,110,160.00	-62%
Grants from donors and development partners	0.00	0.00	0.00	0.00	0	
Transfers from other levels of government	0.00	0.00	0.00	0.00	0	
Public contributions and donations	0.00	0.00	0.00	0.00	0	
Rendering of services- fees from students	31,462,839.00	0.00	31,462,839.00	32,098,919.00	636,080.00	2%
Sale of goods	0.00	0.00	0.00	0.00	0	
Rental revenue from facilities and equipment	650,000.00	0.00	650,000.00	0.00	-650,000.00	-100%
Finance income	0.00	0.00	0.00	0.00	0	
Other Incomes	10,710,000.00	0.00	10,710,000.00	11,308,523.00	598,523.00	6%
Total Income	78,548,999.00	0.00	78,548,999.00	57,023,442.00	-21,525,557.00	
Expenses					0	
Use of goods and services	50,353,321.00	0.00	50,353,321.00	21,159,119.00	-29,194,202.00	-58%
Employee costs	13,718,846.00	0.00	13,718,846.00	6,744,792.00	-6,974,054.00	-51%
Board /Council Expenses	1,250,000.00	0.00	1,250,000.00	377,000.00	-873,000.00	-70%
Repairs and maintenance	1,958,984.00	0.00	1,958,984.00	662,585.00	-1,296,399.00	-66%
Assets Purchase	10,717,848.00	0.00	10,717,848.00	530,700.00	-10,187,148.00	-95%
Contracted services	550,000.00	0.00	550,000.00	0.00	-550,000.00	-100%
Grants and subsidies	0.00	0.00	0.00	0.00	0	
Total Expenditure	78,548,999.00	0.00	78,548,999.00	29,474,196.00	-49,074,803.00	

19. Notes to the Financial Statements

1. General Information

Endebess Technical Training Institute entity 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 to provide quality and relevant technical entrepreneurial and management training.

2. Statement of Compliance and Basis of Preparation

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

Endebess Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

3. Adoption of New and Revised Standards

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

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

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

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

Endebess Technical Training Institute
Annual Report and Financial Statements for the year ended 30th June 2024

	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. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> 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	<i>Applicable 1st January 2026</i> 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.

iii. Early adoption of standards

Endebess Technical Training Institute did not early adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on 23TH July 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The Endebess Technical Training Institute budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page xx under section xxx of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule xxx of the xxx Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

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 *Endebess Technical Training Institute*.

k) Provisions

Provisions are recognized when the *Endebess Technical Training Institute* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *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 *Endebess Technical Training Institute* does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the *Entity* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Social Benefits

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

m) Nature and purpose of reserves

The *Endebess 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 *Endebess 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

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

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s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

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

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6. Transfers from other National Government entities

Description	2023-2024	2022-2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	13,616,000.00	11,321,000.00
Operational Grant	0.00	0.00
Development grants	0.00	0.00
Other Grants	0.00	0.00
Total unconditional Grants	13,616,000.00	11,321,000.00
Conditional Grants amortised/ recognised in revenue		
Library Grant	0.00	0.00
Hostels Grant	0.00	0.00
Administration Block Grant	0.00	0.00
Laboratory Grant	0.00	0.00
Learning Facilities Grant	0.00	0.00
Other Organizational Grants	0.00	0.00
Total Government Grants and Subsidies	13,616,000.00	11,321,000.00

(a)Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State department of Vocational and Technical Training	0.00	0.00	0.00	0.00	0.00
XX Ministry	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

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7. Grants from Donors and Development Partners

Description	2023-2024	2022-2023
	Kshs	Kshs
JICA- Research Grant	0.00	0.00
World Bank Grants	0.00	0.00
In-Kind Donations	0.00	0.00
Donations transferred to revenue-conditions met	0.00	0.00
Other Grants (specify)	0.00	0.00
Total Grants from Development Partners	0.00	0.00

(a) Reconciliations of grants from donors and development partners

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance unspent at beginning of year	0.00	0.00
Current year receipts	0.00	0.00
Conditions Met - Transferred to Revenue	0.00	0.00
Conditions Yet To Be Met - Remain Liabilities	0.00	0.00

8. Transfers from Other Levels of Government

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfer from County XX	0.00	0.00
Transfer from XX University	0.00	0.00
Transfer from XX Institute	0.00	0.00
Total Transfers	0.00	0.00

9. Public Contributions and Donations

Description	2023-2024	2022-2023
	Kshs	Kshs
Public Donations	0.00	0.00
Donations from Local Leadership	0.00	0.00
Donations from Religious Institutions	0.00	0.00
Donations from Alumni	0.00	0.00
Other Donations	0.00	0.00
Total Donations and Contributions	0.00	0.00

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10. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	32,098,919.00	13,909,856.00
Activity Fees	0.00	0.00
Industrial Attachment Fees	0.00	0.00
Examination Fees	0.00	0.00
Library Fees	0.00	0.00
Facilities And Materials	0.00	0.00
Registration Fees	0.00	0.00
Others (<i>Specify</i>)	0.00	0.00
Total Revenue from The Rendering of Services	32,098,919.00	13,909,856.00

11. Sale of Goods

Description	2023-2024	2022-2023
	Kshs	Kshs
Sale of Tender	0.00	0.00
Total Revenue from Sale of Goods	0.00	0.00

12. Rental revenue from facilities and equipment

Description	2023-2024	2022-2023
	Kshs	Kshs
Hire of Facilities and Equipment	0.00	113,000.10
Contingent Rentals	0.00	0.00
Operating Lease Revenue	0.00	0.00
Total	0.00	113,000.10

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13. Finance Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Cash investments and fixed deposits	0.00	0.00
Interest income from treasury bills	0.00	0.00
Interest income from treasury bonds	0.00	0.00
Interest from outstanding debtors	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Total finance income	0.00	0.00

14. Other Income

Description	2023-2024	2022-2023
	Kshs	Kshs
Boarding and Lunch Fees	5,796,000.00	5,625,000.00
Dairy and Livestock Farming	558,558.00	499,020.00
Sale of Vegetables	562,250.00	491,400.00
Driving Class	30,000.00	0.00
Breakage Fee	0.00	3,000.00
Quality Assurance Fee	146,500.00	1,500.00
Student ID	89,600.00	56,900.00
Knec Registration	3,336,850.00	3,049,580.00
KUCCPS A application	556,500.00	379,500.00
CDACC	137,250.00	0.00
NITA	43,250.00	0.00
Germany Class	25,000.00	0.00
Logbook & Insurance	26,765.00	0.00
Total other income	11,308,523.00	10,105,900.00

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15. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Activity and Sports	33,725.00	593,610.00
Administration/Operational Cost	3,719,815.00	2,627,683.00
Boarding and Lunch	4,805,797.00	7,479,296.00
Electricity H2O & Conservancy	805,723.00	606,047.00
Dairy and Livestock Farming	483,395.00	658,660.00
Driving Class	39,000.00	0.00
Hire Of the Facilities	11,000.00	0.00
Vegetable Garden	17,870.00	0.00
Industrial Attachment & Medical	294,162.00	408,975.00
Local Transport & Travelling	654,315.00	727,000.00
CDF	30,000.00	0.00
KNEC	3,428,540.00	2,084,210.00
NITA	55,000.00	0.00
Student ID	142,200.00	64,400.00
Tuition 6,638,576.85	6,638,577.00	6,094,512.00
Total good and services	21,159,119.00	21,344,393.00

16. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	6,744,792.00	9,255,340.00
Employee related costs - contributions to pensions and medical aids	0.00	0.00
Travel, motor car, accommodation, subsistence and other allowances	0.00	0.00
Housing benefits and allowances	0.00	0.00
Overtime payments	0.00	0.00
Social contributions	0.00	0.00
Employee Costs	6,744,792.00	9,255,340.00

17. Board/Council Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Chairman's Honoraria	0.00	0.00
Directors Emoluments	0.00	0.00
Other Allowances	377,000.00	316,000.00
Other Board/Council Expenses	0.00	0.00
Total	377,000.00	316,000.00

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18. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	2,069,342.00	2,291,406.00
Intangible assets	0.00	0.00
Investment property carried at cost	0.00	0.00
Total depreciation and amortization	2,069,342.00	2,291,406.00

19. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Property	662,585.00	750,245.00
Investment property – earning rentals	0.00	0.00
Equipment and machinery	0.00	0.00
Vehicles	0.00	0.00
Furniture and fittings	0.00	0.00
Computers and accessories	0.00	0.00
Total Repairs and Maintenance	662,585.00	750,245.00

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20. Contracted Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Actuarial valuations	0.00	0.00
Investment valuations	0.00	0.00
Property valuations	0.00	0.00
Other (specify)	0.00	0.00
Total contracted services	0.00	0.00

21. Grants and Subsidies

Description	2023-2024	2022-2023
	Kshs	Kshs
Community Development	0.00	0.00
Education Initiatives and Programs	0.00	0.00
Social Development	0.00	0.00
Social benefits expenses	0.00	0.00
Community Trust	0.00	0.00
Sporting Bodies	0.00	0.00
Others (specify)	0.00	0.00
Total Grants and Subsidies	0.00	0.00

22. Finance Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Borrowings (Amortized Cost)*	0.00	0.00
Finance Leases (Amortized Cost)	0.00	0.00
Unwinding of Discount from lease liabilities	0.00	0.00
Interest on Bank Overdrafts	0.00	0.00
Interest on Loans from Commercial Banks	0.00	0.00
Others (specify)	0.00	0.00
Total Finance Costs	0.00	0.00

23. Gain On Sale of Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	0.00	0.00
Intangible Assets	0.00	0.00
Other Assets not capitalised	0.00	0.00
Total Gain On Sale of Assets	0.00	0.00

24. Gain/(loss) on Fair Value Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Fair value on equity investments	0.00	0.00
Fair value arising from investment property	0.00	0.00
Fair value arising from biological assets	0.00	0.00
Fair value- other financial assets (specify)	0.00	0.00
Total Gain	0.00	0.00

25. Impairment Loss

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment	0.00	0.00
Intangible Assets	0.00	0.00
Total Impairment Loss	0.00	0.00

26. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	596,046.00	3,301,028.00
On - Call Deposits	0.00	0.00
Total Cash and Cash Equivalents	596,046.00	3,301,028.00

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
Barclays/Absa Bank	2038469005	393,425.00	46,086.00
Kenya Commercial bank	1217161309	4,039.00	3,172,818.00
Equity Bank, etc	0330274356128	198,062.00	81,825.00
Sub- Total		595,526.00	3,300,730.00
b) On - Call Deposits			
Kenya Commercial Bank		0.00	0.00
Equity Bank – etc.		0.00	0.00
Sub- Total		0.00	0.00
c) Fixed Deposits Account			
Kenya Commercial Bank		0.00	0.00
Bank B		0.00	0.00
Sub- Total		0.00	0.00
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		0.00	0.00
Bank B		0.00	0.00
Sub- Total		0.00	0.00
e) Others(Specify)		0.00	0.00
Cash in Transit		0.00	0.00
Cash in Hand		520.00	187.00
Mobile Money account		0.00	111.00
Sub- Total		0.00	298.00
Grand Total		596,046.00	3,301,028.00

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Student Debtors	41,587,281.00	21,171,006.00
Rent Debtors	0.00	0.00
Consultancy Debtors	0.00	0.00
Other Exchange Debtors	0.00	0.00
Less: Impairment Allowance	0.00	0.00
Total Current Receivables	41,587,281.00	21,171,006.00

27 (b) Long- term Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	0.00	0.00
Advance Payments	0.00	0.00
Public Organizations	0.00	0.00
Less: Impairment Allowance	0.00	0.00
Total	0.00	0.00
Current Portion Transferred To Current Receivables	0.00	0.00
Total Non-Current Receivables	0.00	0.00
Total Receivables	0.00	0.00

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2023-2024		2022-2023	
	Kshs	%	Kshs	%
	Current FY	the total	Comparative FY	of total
Less than 1 year	23,317,559.37	56%	8,661,940	41%
Between 1- 2 years	8,038,375.00	19%	6,355,742	30%
Between 2-3 years	6,355,741.63	15%	3,875,605	18%
Over 3 years	3,875,605.00	9%	2,277,719	11%
Total (a+b)	41,587,281.00		21,171,006.00	

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

Description	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	0.00	0.00
Provisions during the year	0.00	0.00
Recovered during the year	0.00	0.00
Write offs during the year	0.00	0.00
At the end of the year	0.00	0.00

28. Receivables from Non-Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Capitation Grants*	0.00	0.00
Transfers from Other Govt. entities	0.00	0.00
Undisbursed Donor Funds	0.00	0.00
Other Debtors (Non-Exchange Transactions)	0.00	0.00
Less: Impairment Allowance	0.00	0.00
Total Current Receivables	0.00	0.00

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

Description	2023-2024		2022-2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0.00	%	0.00	%
Between 1- 2 years	0.00	%	0.00	%
Between 2-3 years	0.00	%	0.00	%
Over 3 years	0.00	%	0.00	%
Total	0.00	%	0.00	%

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

Description	2023-2024	2022-2023
	Kshs	Kshs
At the beginning of the year	0.00	0.00
Additional provisions during the year	0.00	0.00
Recovered during the year	0.00	0.00
Written off during the year	0.00	0.00
At the end of the year	0.00	0.00

29. Inventories

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores	0.00	0.00
Maintenance stores	0.00	0.00
Health Unit stores	0.00	0.00
Electrical stores	0.00	0.00
Cleaning Materials stores	0.00	0.00
Catering stores	0.00	0.00
Less: Impairment allowance	0.00	0.00
Total Inventories at lower of Cost and Net Realizable Value	0.00	0.00

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30. Investments in financial assets

Description	2023-2024	2022-2023
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	0.00	0.00
CBK	0.00	0.00
Sub- Total	0.00	0.00
b) Investment with Financial Institutions/ Banks		
Bank X	0.00	0.00
Bank Y	0.00	0.00
Sub- Total	0.00	0.00
c) Equity Investments (<i>Specify</i>)		
Equity/ Shares in Company Xxx	0.00	0.00
Sub- Total	0.00	0.00
Grand Total	0.00	0.00

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	Insert Current FY	Insert Comparative FY
	%	%	%	Kshs	Kshs	Kshs
Entity A	0.00	0.00	0.00	0.00	0.00	0.00
Entity B	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00

31. Prepayments

Description	2023-2024	2022-2023
	Kshs.	Kshs.
Prepaid Rent	0.00	0.00
Prepaid Electricity Costs	0.00	0.00
Other Prepayments (<i>Specify</i>)	0.00	0.00
Total	0.00	0.00

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32. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Intangible Assets	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 July 2022	0.00	46,420,148.36	-	765,910.22	504,096.51	2,470,498.56	1,226,790.00	51,387,443.66
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30th June 2023	0.00	46,420,148.36	-	765,910.22	504,096.51	2,470,498.56	1,226,790.00	51,387,443.66
Additions	0.00	0.00	0.00	65,700.00	0.00	365,000.00	0.00	430,700.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30th June 2024	0	46,420,148.36	-	831,610.22	504,096.51	2,835,498.56	1,226,790.00	51,818,143.66
Depreciation And Impairment		2%	20%	20%	20%	20%	25%	
At 30 Jun 2024	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	-	928,402.97		166,322.04	100,819.30	567,099.71	306,697.50	2,069,341.53
Disposals	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Impairment	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer/Adjustment	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 30th Jun 2024	-	928,402.97		166,322.04	100,819.30	567,099.71	306,697.50	2,069,341.53
Net Book Values								
At 30th Jun 2023	0	46,420,148.36	-	765,910.22	504,096.51	2,470,498.56	1,226,790.00	51,387,443.66
At 30th Jun 2024	0	45,491,745.39		665,288.18	403,277.21	2,268,398.85	920,092.50	49,748,802.13

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Notes to the Financial Statements (Continued)
Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020).

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0	0	0
Buildings	46,420,148.36	928,402.97	45,491,745.39
Plant And Machinery	2,835,498.56	567,099.71	2,268,398.85
Motor Vehicles including Motorcycles	0	0	0
Computers and Related Equipment	504,096.51	100,819.30	403,277.21
Office Equipment, Furniture, And Fittings	831,610.22	166,322.04	665,288.18
Total	50,591,353.65	1,762,644.02	48,828,709.63

33. Intangible Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At beginning of the year	1,226,790	1,635,720
Additions	0.00	0.00
At end of the year	0.00	1,635,720
Additions—internal development	0.00	0.00
At end of the year	0.00	0.00
Amortization and impairment	0.00	
At beginning of the year	0.00	0.00
Amortization	-306,698.00	408,930
At end of the year	0.00	0.00
Impairment loss	0.00	0.00
At end of the year	0.00	0.00
NBV	920,093.00	1,226,790

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34. Investment Property

Description	2023-2024	2022-2023
	Kshs	Kshs
At beginning of the year	0.00	0.00
Additions	0.00	0.00
Disposal during the year	0.00	0.00
Depreciation	0.00	0.00
Impairment	0.00	0.00
Gain or loss on fair value- if fair value is elected	0.00	0.00
At end of the year	0.00	0.00

35. Biological Assets

	2023-2024	2022-2023
	Kshs	Kshs
Cattle	455,000.00	355,000.00
Trees	0.00	0.00
Others (Specify)	0.00	0.00
Total	455,000.00	355,000.00

36. Trade and Other Payables

Description	2023-2024		2022-2023		
	Kshs		Kshs		
Trade payables	13,418,521.00		23,256,474.00		
Fees paid in advance	0.00		0.00		
Salary deductions	0.00		0.00		
Third-Party Payments	0.00		0.00		
Other Payables	0.00		0.00		
Total Trade and Other Payables	13,418,521.00		23,256,474.00		
Ageing analysis:	Current 2023-2024	% of the Total	Comparative 2022-2023	% of the Total	
	Under one year	4,461,466.32	33%	6,894,033.97	30%
	1-2 years	1,895,245.00	14%	5,402,142.11	23%
	2-3 years	2,681,123.00	20%	5,542,756.80	24%
	Over 3 years	4,380,686.68	33%	5,417,541.12	23%
	Total (to tie to totals above)	13,418,521.00		23,256,474.00	

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37. Refundable Deposits from Customers/Students

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
Consumer deposits	0.00		0.00	
Caution money	0.00		0.00	
Other refundable deposits	0.00		0.00	
Total Deposits	0.00		0.00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0.00	%	0.00	%
1-2 years	0.00	%	0.00	%
2-3 years	0.00	%	0.00	%
Over 3 years	0.00	%	0.00	%
Total (to tie to totals deposits above)	0.00	%	0.00	%

38. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provisions	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	0.00	0.00	0.00	0.00	0.00
Additional Provisions	0.00	0.00	0.00	0.00	0.00
Provision Utilised	0.00	0.00	0.00	0.00	0.00
Change Due To Discount And Time Value For Money	0.00	0.00	0.00	0.00	0.00
Transfers From Non -Current Provisions	0.00	0.00	0.00	0.00	0.00
Total Provisions	0.00	0.00	0.00	0.00	0.00

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39. Finance Lease Obligation

Description	2023-2024	2022-2023
	Kshs	Kshs
At the start of the year	0.00	0.00
Discount interest on Lease Liability	0.00	0.00
Paid during the year	0.00	0.00
At end of the year	0.00	0.00

Maturity Analysis

Period	Amount
	Kshs
Year 1	0.00
Year 2	0.00
Year 3	0.00
Year 4	0.00
Year 5 and Onwards	0.00
Less: Unearned Interest	0.00
Total	0.00

Analysed as:

Description	Amount
	Kshs
Current	0.00
Non- Current	0.00
Total	0.00

40. Deferred Income

Description	2023-2024	2022-2023
	Kshs	Kshs
National Government	0.00	0.00
International Funding Bodies	0.00	0.00
Public Contributions and Donations	0.00	0.00
Total Deferred Income	0.00	0.00

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The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	0.00	0.00	0.00	0.00
Additions during the year	0.00	0.00	0.00	0.00
Transfers to capital fund	0.00	0.00	0.00	0.00
Transfers to income statement	0.00	0.00	0.00	0.00
Other transfers	0.00	0.00	0.00	0.00
Balance carried forward	0.00	0.00	0.00	0.00

Analysed as:

Description	Amount
	Kshs
	0.00
Current	0.00
Non- Current	0.00
Total	0.00

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0.00	0.00	0.00	0.00	0.00
Non-Current Benefit Obligation	0.00	0.00	0.00	0.00	0.00
Total Employee Benefits Obligation	0.00	0.00	0.00	0.00	0.00

Retirement benefit Asset/ Liability

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

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

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Description	2023-2024	2022-2023
	Kshs	Kshs
Discount Rates	0.00	0.00
Future Salary Increases	0.00	0.00
Future Pension Increases	0.00	0.00
Mortality (Pre- Retirement)	0.00	0.00
Mortality (Post- Retirement)	0.00	0.00
Withdrawals	0.00	0.00
Ill Health	0.00	0.00
Retirement	0.00	0.00

Recognition of Retirement Benefit Asset/ Liability

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

Description	2023-2024	2022-2023
	Kshs	Kshs
The return on defined plan assets	0.00	0.00
Actuarial gains/ losses arising from changes in demographic assumptions	0.00	0.00
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	0.00	0.00
Actuarial gains and losses arising from experience adjustments	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Adjustments for restrictions on the defined benefit asset	0.00	0.00
Remeasurement of the net defined benefit liability (asset)	0.00	0.00

- b) Amounts recognised in the Statement of Financial Position

Description	2023-2024	2022-2023
	Kshs	Kshs
Present value of defined benefit obligations(a)	0.00	0.00
Fair value of plan assets(b)	0.00	0.00
Funded status(=a-b)	0.00	0.00
Restrictions on asset recognised	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Net asset or liability arising from defined benefit obligation	0.00	0.00

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

42. Payments received in advance.

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Fees received in advance	0.00		0.00	
Others (Specify)	0.00		0.00	
Total	0.00		0.00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0.00	%	0.00	%
1-2 years	0.00	%	0.00	%
2-3 years	0.00	%	0.00	%
Over 3 years	0.00	%	0.00	%
Total	0.00	%	0.00	%

43. Borrowings

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Balance at beginning of the year	0.00		0.00	
External borrowings during the year	0.00		0.00	
Domestic borrowings during the year	0.00		0.00	
Repayments of external borrowings during the year	0.00		0.00	
Repayments of domestic borrowings during the year	0.00		0.00	
Balance at end of the year	0.00		0.00	

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43 a) Analysis of External and Domestic Borrowings

Description	2023-2024	2022-2023
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	0.00	0.00
Sterling pound denominated loan from 'yyy organization'	0.00	0.00
Euro denominated loan from zzz organization'	0.00	0.00
Domestic borrowings	0.00	0.00
Kenya shilling loan	0.00	0.00
Total balance at end of the year	0.00	0.00

43 b) Breakdown of Long and Short-Term Borrowings

Description	2023-2024	2022-2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0.00	0.00
Long Term Borrowings	0.00	0.00
Total	0.00	0.00

(NB: the total of this statement should tie to note 44 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

44. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at the beginning of the year	0.00	0.00	0.00	0.00	0.00
Additional Provisions	0.00	0.00	0.00	0.00	0.00
Provision utilised	0.00	0.00	0.00	0.00	0.00
Change due to discount and time value for money	0.00	0.00	0.00	0.00	0.00
Less: Current portion	0.00	0.00	0.00	0.00	0.00
Total deferred income	0.00	0.00	0.00	0.00	0.00

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45. Service Concession Arrangements

Description	2023-2024	2022-2023
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	0.00	0.00
Accumulated depreciation to date	0.00	0.00
Net carrying amount	0.00	0.00
Service concession liability at beginning of the year	0.00	0.00
Service concession revenue recognized	0.00	0.00
Service concession liability at end of the year	0.00	0.00

46. Cash generated from operations.

Surplus for the year before tax	2023-2024	2022-2023
	Kshs	Kshs
Adjusted for:		
Depreciation/Net surplus/(deficit)	28,079,946.00	3,783,778.00
Non-Cash grants received	(0.00)	(0.00)
Contributed assets	(0.00)	(0.00)
Impairment	0.00	0.00
Gains and Losses on Disposal of Assets	(0.00)	(0.00)
Contribution to provisions	0.00	0.00
Contribution to impairment allowance	0.00	0.00
Finance Income	(0.00)	(0.00)
Finance Cost	0.00	0.00
Working Capital Adjustments		
Increase in Inventory	0.00	0.00
Increase in Receivables	(20,416,275.00)	(8,563,280.00)
Increase in Deferred Income	0.00	0.00
Increase in Payables	(9,837,953.00)	9,418,613.00
Increase in Payments received in advance	0.00	0.00
Net Cash Flow from Operating Activities	-2,174,282.00	4,639,111.00

47. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	21,171,006.00	21,171,006.00	0.00	0.00
Receivables from non-exchange transactions	0.00	0.00	0.00	0.00
Bank balances	3,301,028.00	3,301,028.00	0.00	0.00
Total	24,472,034.00	24,472,034.00	0.00	0.00
At 30 June 2024	0.00	0.00	0.00	0.00
Receivables from exchange transactions	41,587,281.00	41,587,281.00	0.00	0.00
Receivables from non-exchange transactions	0.00	0.00	0.00	0.00
Bank balances	596,046.00	596,046.00	0.00	0.00
Total	42,183,327.00	42,183,327.00	0.00	0.00

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Financial risk management (continued)

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	8,192,141.00	5,645,720.00	9,418,613.00	23,256,474.00
Current Portion Of Borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Deferred Income	0.00	0.00	0.00	0.00
Employee Benefit Obligation	0.00	0.00	0.00	0.00
Total	8,192,141.00	5,645,720.00	9,418,613.00	23,256,474.00
At 30 June 2024	7,772,801.00	5,645,720.00	0.00	13,418,521.00
Trade Payables	0.00	0.00	0.00	0.00
Current Portion Of Borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Deferred Income	0.00	0.00	0.00	0.00
Employee Benefit Obligation	0.00	0.00	0.00	0.00
Total	7,772,801.00	5,645,720.00	0.00	13,418,521.00

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 20XX			
Financial Assets (Investments, Cash, Debtors)	0.00	0.00	0.00
Liabilities			
Trade and Other Payables	0.00	0.00	0.00
Borrowings	0.00	0.00	0.00
Net Foreign Currency Asset/(Liability)	0.00	0.00	0.00

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

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Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	0.00	0.00
Usd	10%	0.00	0.00
20xx			
Euro	10%	0.00	0.00
Usd	10%	0.00	0.00

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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iv) Capital Risk Management

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	26,566,343.00	555,738.00
Capital Reserve	0.00	0.00
Total Funds	26,566,343.00	555,738.00
Total Borrowings	0.00	0.00
Less: Cash and Bank Balances	(596,046.00)	(3,301,028.00)
Net Debt/(Excess Cash and Cash Equivalents)	(596,046.00)	(3,301,028.00)
Gearing	-2%	-594%

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48. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

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Description	2023-2024	2022-2023
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0.00	0.00
Rent income from govt. agencies	0.00	0.00
Water sales to govt. agencies	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Total	0.00	0.00
B) Purchases from related parties		
Purchases of electricity from kplc	0.00	0.00
Purchase of water from govt service providers	0.00	0.00
Rent expenses paid to govt agencies	0.00	0.00
Training and conference fees paid to govt. agencies	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Total	0.00	0.00
b) Grants /Transfers from the Government		
Grants from National Govt	13,616,000.00	11,321,000.00
Grants from County Government	0.00	0.00
Donations in Kind	0.00	0.00
Total	13,616,000.00	11,321,000.00
c) Expenses incurred on behalf of related parties		0.00
Payments of Salaries and Wages for 69 Employees	6,744,792.00	9,255,340.00
Payments for Goods and Services for 2024	21,159,119.00	21,344,393.00
Total	27,903,911.00	30,599,733.00
d) Key Management Compensation		
Directors' emoluments	0.00	0.00
Compensation to Key Management	0.00	0.00
Total	0.00	0.00

49. Segment Information

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50. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0.00	0.00
Assets arising from determination of Court Cases	0.00	0.00
Reimbursable Indemnities and Guarantees	0.00	0.00
Others (<i>Specify</i>)	0.00	0.00
Total	0.00	0.00

Contingent Liabilities

Description	2023-2024	2022-2023
	Kshs	Kshs
Contingent Liabilities	0.00	0.00
Court Case Xxx against (<i>The Entity</i>)	0.00	0.00
Bank guarantees in favour of subsidiary	0.00	0.00
Contingent liabilities arising from Contracts including PPPs	0.00	0.00
Others (<i>Specify</i>)	0.00	0.00
Total	0.00	0.00

(Give details)

51. Capital Commitments

Capital Commitments	2023-2024	2022-2023
	Kshs	Kshs
Authorised for	0.00	0.00
Authorised and Contracted for	0.00	0.00
Total	0.00	0.00

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50. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0.00	0.00
Assets arising from determination of Court Cases	0.00	0.00
Reimbursable Indemnities and Guarantees	0.00	0.00
Others (<i>Specify</i>)	0.00	0.00
Total	0.00	0.00

Contingent Liabilities

Description	2023-2024	2022-2023
	Kshs	Kshs
Contingent Liabilities	0.00	0.00
Court Case Xxx against (<i>The Entity</i>)	0.00	0.00
Bank guarantees in favour of subsidiary	0.00	0.00
Contingent liabilities arising from Contracts including PPPs	0.00	0.00
Others (<i>Specify</i>)	0.00	0.00
Total	0.00	0.00

(Give details)

51. Capital Commitments

Capital Commitments	2023-2024	2022-2023
	Kshs	Kshs
Authorised for	0.00	0.00
Authorised and Contracted for	0.00	0.00
Total	0.00	0.00

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52. Events After The Reporting Period

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

53. Ultimate And Holding Entity

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

54. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

- Use the same reference numbers as contained in the external audit report;
- Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for the implementation of each issue;
- Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.

...DANIEL KAKUSHA.....

Name
 Accounting Officer
 (Enter title of Head of entity)
 Date

24th NOV 2024



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Appendix II: Projects Implemented by (*The Entity*)

Projects

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

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

Status of Projects completion

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

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

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity.....Ministry of Education.....

Name of beneficiary entity..... Endebess Technical Training Institute.....

Confirmation of amounts received by Endebess Technical Training Institute as at 30th June 2023

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	02/10/2023	3,941,000.00		3,941,000.00	
	18/01/2024	4,515,000.00		4,515,000.00	
	05/02/2024	5,160,000.00		5,160,000.00	
Total				13,616,000.00	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Ndlovu John Kiplan Sign [Signature] Date 22/11/2024

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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

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

SECRET

1. The purpose of this document is to provide information regarding the activities of the [redacted] in the [redacted] area. The information is classified as [redacted] and is to be controlled in accordance with the [redacted] policy.

2. The information is to be controlled in accordance with the [redacted] policy. The information is to be controlled in accordance with the [redacted] policy. The information is to be controlled in accordance with the [redacted] policy.