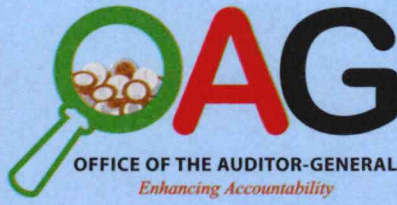


REPUBLIC OF KENYA




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REPORT

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OF

THE AUDITOR-GENERAL

ON

**ZIWA TECHNICAL TRAINING
INSTITUTE**

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



**ZIWA TECHNICAL TRAINING INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 30TH JUNE 2025

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

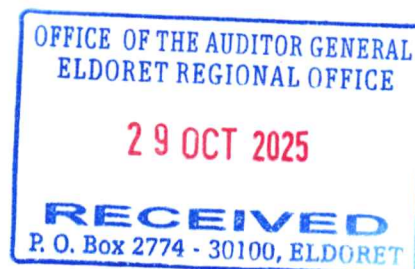


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1. Acronyms and Definition of Key Terms

A. Acronyms

| | |
|-------|--|
| BOG | Board of Governors |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards |
| PFM | Public Finance Management |
| PSASB | Public Sector Accounting Standards Board |
| TTI | Technical Training Institute |
| TTC | Teacher Training College |
| TVC | Technical Vocational College |

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The institution was established under TVET Act 2013 on 1st January 2014 and it is domiciled in Kenya. The college is under the Ministry of Education.

(b) Principal Activities

The principal activity/mission/ mandate of the ZIWA TTI is to provide high quality Technical and Vocational Education and Training and Research that promote Creativity and Innovations to meet global challenges.

VISION

“To be a Centre of Excellence in technology and innovation”.

MISSION

To train and nurture human capital for a dynamic economy.

CORE VALUES

- Integrity.
- Accountability
- Creativity and Innovation
- Customer Satisfaction
- Inclusivity
- Professionalism

(c) Key Management

The institute’s day-to-day management is under the following key organs:

- Board of Governors
- The principal
- The management team.

(d) Fiduciary Management

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

| No. | Designation | Name |
|-----|---------------------------------|---------------------------|
| 1. | Principal | Mr. Emmanuel Meres |
| 2. | Deputy Principal Administration | -Mrs. Jane Kiprono Oloibe |
| 3 | Deputy Principal Academics | -Mr. Japheth K Kipchaba |
| 4 | Registrar | -Mr Job Kurgat |
| 5 | Dean of Students | -Mr. Kuboi Psiwa |
| 6 | Finance Officer | -Mr. Augustine kipkoech |
| 7 | Procurement Manager | -Mr. Emily Jemutai |

(e) Fiduciary Oversight Arrangements

Finance Development and General-Purpose Sub-Committee

The Committee exercise all the powers of BOG in financial matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG.

Terms of Reference:

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

- (i) Monitor and facilitate the implementation of the Institute's strategy with regard to financial matters;
- (ii) Determine the fees and charges made for the institute services and facilities;
- (iii) Supervise the financial administration of the Institute and make recommendations to BOG where appropriate;
- (iv) Supervise the arrangements for safeguarding the Institute's assets;
- (v) Ensure the proper financial evaluation and control of projects;
- (vi) Supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments;
- (vii) Ensure the appropriate exploitation of the Institute's intellectual property;
- (viii) Make recommendations to BOG on the financing of projects; and
- (ix) Supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.
- (x) Receive reports from the Accounting Officer ensuring that financial statements are understandable, transparent and reliable;

Audit and Risk Committee

The Committee shall exercise all the powers of BOG in audit, governance and risk management matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG.

The Committee responsibilities shall include:

- (i) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic;
- (ii) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top;
- (iii) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud;
- (iv) Reviewing current and pending corporate governance related litigation or regulatory proceedings to which the institution is party;
- (v) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas;
- (vi) Ensuring the internal auditor's access to the audit committee, encouraging communication beyond scheduled committee meetings;
- (vii) Reviewing internal audit plans, reports and significant findings; and
- (viii) Establishing a direct reporting relationship with the external auditors.

Education and Human Resource Committee

The Committee shall exercise all the powers of BOG in Education, Research and Human Resource matters except in relation to items which are reserved to BOG, on which the Committee shall advise the BOG.

The Committee responsibilities shall include to:

- i) Driving the Institute's research agenda in line with the country's Vision;
- ii) Encourage research culture in the institute;
- iii) Institutionalize networking, collaboration research and outreach in the Institute;
- iv) Encourage innovation and handle issues to do with intellectual property rights;
- v) Ensure dissemination of research findings;
- vi) Advises the Board of Governors on the strategic direction of the Institute's academic activities, academic risks and the overall effectiveness of services in support of the academic endeavour;
- vii) Responsible for providing assurance to the Board of Governors on the effectiveness of the Institute's academic governance arrangements, the student experience, and setting and maintaining standards;
- viii) Support the development of HR policies, guidelines, procedures, regulations and standard; and
- ix) Monitor labour administration in the Institute.

Senior Management Activities

The main purpose of the Senior Management Team is to:

- (i) Ensure that ZIWA's BOG is able to take strategic decisions in relation to the Institute's activities;
- (ii) Provide leadership in communicating ZIWA TTI's mission, vision, strategic goals, core values, plans and achievements effectively and consistently to BOG, Government, Staff, Clients, community members the general public and other stakeholders;
- (iii) Be accountable for the development and implementation of the Institute's strategic, corporate and business plans in line with the mission and vision; and
- (iv) Take a strategic overview of performance in all areas of the Institute's activities.

Specifically, the Senior Management Team:

- (a) Make recommendations to the BOG on the implementation and achievement of the Board's Strategic Framework;
- (b) Monitor the Institute's Corporate Plan delivery through appropriate key management and performance information reporting to the Board of Governors appropriately;
- (c) In light of income projections and forecasts, considers the annual grants and operational expenditures and monitors such expenditures;
- (d) Determines strategic issues arising from the introduction of new policies or process, including actively managing risks across the Institute and regularly reviewing the corporate risk register;
- (e) Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the Board and/or its relevant Committees; and
- (f) Leads all managers in motivating and developing the Institute's staff to deliver the highest standards of performance and customer service.

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(f) Institute Headquarters

Ziwa Technical Training Institute
P.O. Box 1055-30100
ELDORET, KENYA

(g) Institute contacts

Telephone: (+254) 705981111
E-mail: info@ziwatti.ac.ke
Website: www.ziwatti.ac.ke

(h) Institute Bankers

Co-operative Bank of
Kenya.
P.O. Box 2948,
Eldoret, Kenya.

Kenya Commercial Bank
P.O. Box 6788-30100,
Eldoret, KENYA.

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



(i) Independent Auditors



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



(j) Principal Legal Adviser


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

3.The Board of Governors

| SN. | Member | Details |
|-----|---|--|
| 1. |  <p data-bbox="336 871 657 972">Mr. Willy Kiptarbei Kenei Chairman D.O.B: 9th July, 1976.</p> | <p data-bbox="687 367 1372 506">Bachelor's degree in Science (Biochemistry) from Jomo Kenyatta University of Agriculture and Technology (1998-2002). He completed his secondary education at Kitale Boys Secondary School (1993-1996).</p> <p data-bbox="687 544 1372 815">Mr. Kenei is currently the Chairman of the Kenya National Chamber of Commerce and Industry (KNCCI) Uasin Gishu Chapter. His leadership roles include being a director at Eldobase Chemists Ltd, where he oversees daily operations, marketing strategies, financial stability, and HR-related issues. He has extensive experience in business development, project management, and financial administration.</p> <p data-bbox="687 853 1372 1059">He has contributed to county policy formulations, budget processes, and international business engagements. Mr. Kenei also advocates for peaceful elections, leads business forums, and has been involved in community initiatives, such as the "Save A Life" campaign.</p> <p data-bbox="687 1097 1372 1196">His expertise in leadership, business operations, and stakeholder management adds value to Ziwa TTI's governance.</p> |
| 2. |  <p data-bbox="336 1659 657 1760">Emmanuel Meres Principal/ Secretary BOG D.O.B: 18th Jan 1972.</p> | <p data-bbox="687 1202 1372 1473">Mr. Emmanuel Meres is an accomplished education administrator with over two decades of experience in the technical and vocational education sector. He served as the Deputy Principal in charge of Administration at The Eldoret National Polytechnic since 2019; he has demonstrated strong leadership in academic management, student discipline, infrastructure supervision, and stakeholder engagement.</p> <p data-bbox="687 1476 1372 1713">His earlier roles include Head – Computing & I.T (2010–2019), and Assistant Lecturer (2002–2010), where he excelled in curriculum delivery, departmental leadership, and institutional sports development. He has also taught at both primary and secondary levels, contributing to education and extracurricular excellence.</p> <p data-bbox="687 1715 1372 1816">Mr. Meres holds a BSC of Computer Science and Currently Finalizing his MBA In E-Commerce at the Catholic University of Eastern Africa.</p> |



| SN. | Member | Details |
|-----|---|---|
| 3. |  <p data-bbox="316 757 592 891">Ms. Ann Kamonjo Member D.O.B:24th November 1964</p> | <p data-bbox="675 282 1359 723">Ms. Anne W. Kamonjo is a highly experienced TVET (Technical and Vocational Education and Training) greening expert with over 30 years of expertise. She holds a Bachelor's degree in Education (Economics and Management) from Kenyatta University and is pursuing an MBA in Strategic Management at the Catholic University of Eastern Africa. Additionally, she is awaiting the defence of her M.Sc. in Environmental Economics from the University of Eldoret. Ms. Kamonjo has also completed professional certifications in Project Management and participated in international leadership programs focusing on environmental sustainability and climate change.</p> <p data-bbox="675 728 1359 1032">She has significantly to integrating green skills and climate change education into the TVET curriculum in Kenya, working with organizations like GIZ, UNESCO, and UNEP. Her current roles include Deputy Director of TVET at the Ministry of Education and Head of the Greening and Climate Change Unit. Skilled in project management, she has been part of numerous national and international initiatives to enhance sustainability in education</p> |
| 4. |  <p data-bbox="316 1395 571 1529">Dr. Mutheu .V. Paul Mutei Member D.O.B:1st Jan 1972</p> | <p data-bbox="675 1043 1359 1283">She holds a Ph.D. in Communication Studies from Moi University (2017) and a Master's of Philosophy in Educational Communication Technology from the same institution (2007). She also earned a Bachelor of Education (Arts) with a focus on English and Literature and holds a Diploma in Public Relations Management from the Kenya Institute of Management (KIM).</p> <p data-bbox="675 1317 1343 1417">Her extensive academic background in communication and education equips her with valuable skills for leadership and governance at Ziwa TTI.</p> |

| SN. | Member | Details |
|-----|--|--|
| 5. |  <p data-bbox="331 920 619 1025">MR. JACKSON LIMO Member D.O.B: 17th June 1975</p> | <p data-bbox="699 293 1362 636">A highly skilled Public Health Specialist and Program Officer with extensive experience in health systems strengthening, epidemiology, and project management. Proven expertise in human resource management for health, policy development, public health advocacy, and disease surveillance. Adept at leading and coordinating large-scale health programs, collaborating with government agencies, NGOs, and international partners such as USAID, UNICEF, and WHO.</p> <p data-bbox="699 678 1362 981">With a strong academic background, including an MPH in Epidemiology and Population Health, and multiple certifications in strategic leadership, project management, and health systems research, he brings a data-driven, policy-oriented and community-focused approach to healthcare initiatives. Experienced in teaching, program administration, capacity building, and stakeholder engagement to enhance public health service delivery.</p> <p data-bbox="699 1025 1362 1189">A results-driven leader, dedicated to improving health outcomes, strengthening institutional frameworks, and fostering sustainable development in Public Health and Governance.</p> |
| 6. |  <p data-bbox="343 1756 651 1852">CPA .Shelmith Mugoh Member D.O.B:28th October 1971</p> | <p data-bbox="687 1337 1378 1606">Shelmith Mugoh is an accomplished finance and commercial leader with over 30 years of experience. She holds a CPA(K) and is an expert in finance, accounting, business development, coaching, and conflict resolution. As the founder and CEO of Precision Advisory, she has led finance and business strategy initiatives across various sectors, including automotive, manufacturing, real estate, and education.</p> <p data-bbox="687 1648 1378 1845">Her career spans roles such as finance manager, divisional head, and commercial manager in organizations like FEP Group, Toyota Kenya, and Christ is the Answer Ministries (CITAM). Shelmith is passionate about capacity development and has trained and mentored entrepreneurs, business executives, and</p> |

| SN. | Member | Details |
|-----|--|--|
| | | <p>board members on governance, finance, and strategic planning.</p> <p>Shelmith is also a certified productivity coach and professional mediator, accredited with the Kenyan Judiciary, where she mediates commercial disputes. She is an adjunct faculty member at the Kenya School of Law and an active mentor for young professionals.</p> <p>Her board leadership experience includes chairing finance and development committees at Ziwa Technical Training Institute, with past roles at Mukiria Technical Training Institute, Nyali Capital Limited, and Kingdom SACCO. She has played a significant role in supporting the governance and financial sustainability of private and public sector organizations.</p> <p>Her key skills include financial management, entrepreneurship, mediation, process risk management, and strategic planning. Shelmith holds a Bachelor's in Business Administration (Finance) from USIU, a CPAK, and various certifications in coaching, mediation, and governance.</p> |
| 7. |  <p>Dr. Davis Bob Omanyo Member: D.O.B: 10th July 1959</p> | <p>He holds a PhD in Public Health (Epidemiology) from Boston University, USA (2009–2013) and a Master of Public Health (International Health) from the same institution (1998–2000). His foundational training in public health began with a Diploma in Environmental Health Sciences and Public Health Inspection from the University of Nairobi and the Medical Training College, Kenya (1982–1985). He completed his Advanced Level Certificate at Friends School Kamusinga (1978–1979) and his Ordinary Level Certificate at the same school (1973–1977). In recognition of his contributions to research, he was awarded an Honorary Doctorate in Research and became an Associate Member of the American Board of Research (2012). Over the course of his career, he has also undertaken multiple short-term certifications in public health, management, and community development from global institutions (1986–2009).</p> <p>Professionally, he currently serves as the African</p> |




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

| SN. | Member | Details |
|-----|---|--|
| | | <p>Director at Global Health Interaction (2015–Present), where he coordinates health programs across Africa. Prior to this, he was the Regional Director for Eastern Africa at World Renew International (2008–2015), overseeing community development programs in five countries. Between 2004 and 2006, he was the Country Director in Uganda for World Renew International, where he managed national development projects. Earlier in his career, he worked as the Regional HIV/AIDS Coordinator for East and Southern Africa with World Renew International (2001–2004), during which he developed regional strategies for HIV/AIDS prevention and control.</p> |
| 8. |  <p>Mr. Ezekiel Ejere Bursuna Member D.O.B 19th February 1983</p> | <p>He is a PhD candidate in Sociology at Kenyatta University, having earned a Master of Arts in Sociology from Maasai Mara University and a Bachelor of Arts in Sociology from Moi University. He is also pursuing a Master of Business Administration (MBA) in Operations Management at Maasai Mara University, currently at the thesis stage. In addition, he holds certifications in ISO/Quality Management, Monitoring and Evaluation, Supervisory Skills, and Computer Proficiency.</p> <p>Professionally, he has extensive experience in academia and administration. From 2019 to 2023, he served as an Assistant Registrar at Maasai Mara University, where he was actively involved in linkages, collaborations, marketing, public relations, and strategic planning. Since 2013, he has also served as a Lecturer at Maasai Mara University. Beyond academia, he has contributed to national service, working as a Deputy Returning Officer with the Independent Electoral and Boundaries Commission (IEBC) during the 2013 and 2007 General Elections. He has also offered his expertise as a volunteer and consultant with NGOs such as World Vision and USAID, focusing on community development initiatives.</p> <p>His research and publications reflect his strong interest in socio cultural issues, with studies exploring traditional leadership, cultural norms, and gender roles in inter-ethnic conflict resolution. He has also authored academic papers on sensitive topics such as euthanasia and cultural practices in end-of-life care.</p> <p>In addition, he has held several government appointments, including serving as a member of the</p> |





| SN. | Member | Details |
|-----|--|--|
| | | <p>Selection Panel for Marsabit County Public Service Board appointments, a Board of Management member for Laisamis and Loglogo Secondary Schools, and a member of the Taskforce for establishing a public university in Marsabit, Kenya.</p> <p>He is a member of the Kenya Institute of Management (MKIM) and the Kenya Red Cross Society, reflecting his commitment to leadership, professional development, and humanitarian service.</p> |
| 9. |  <p>Arch. Nicholas Koech Member D.O.B 17th Nov 1985</p> | <p>He is a registered architect in good standing with the Board of Registration of Architects and Quantity Surveyors. He holds a Bachelor's degree in Architecture from the University of Nairobi.</p> <p>Mr. Koech completed his secondary Education at Starehe Boys Centre in 2003 and his primary Education at Mosoriot Primary School in 1999. His professional experience includes working at Studio Partners Architects in Nairobi (2008-2009) on various commercial, institutional, and residential projects. He also served as a Project Architect at Archigrad Systems, overseeing project implementation from feasibility studies to detailed designs.</p> <p>Currently, Mr. Koech is the Principal Architect at House of Architecture Ltd, where he leads project administration.</p> |
| 10 |  | <p>Dr. Solomon Kipkosgei Mang'ira is an accomplished scholar and public servant with over 25 years of experience in academia, governance, and environmental management. He holds a PhD in Environmental Education from Kenyatta University, an MPhil in Environmental Law from Moi University, an LLB in Law from Dr. Babasaheb Marathwada University (India), and a Postgraduate Diploma in Education.</p> <p>He has served in senior leadership roles, including Chief Officer for Lands, Environment, Natural Resources, and Climate Change in the County Government of Nandi</p> |

| SN. | Member | Details |
|-----|---|--|
| | <p>Dr. Solomon Kipkosgei Mang'ira (PhD) Member D.O.B 18th April 1964</p> | <p>(2018–2022), where he oversaw policy implementation, compliance with the Public Finance Management Act, and sustainable resource utilization. Dr. Mang'ira has also been a lecturer at Moi University, Eldoret National Polytechnic, and Mount Kenya University, where he has contributed to higher education and research.</p> <p>His governance experience includes membership in the County Human Resource Advisory Committee, County Monitoring & Evaluation Committee, and directorship at KANAWASCO, demonstrating his expertise in institutional oversight, policy development, and resource management.</p> <p>Dr. Mang'ira has published widely in peer-reviewed journals on environmental law, indigenous knowledge, natural resources management, and disaster preparedness. He is also actively engaged in community service, church leadership, and school management boards.</p> <p>With a strong background in law, environmental governance, and public administration, Dr. Mang'ira brings integrity, accountability, and strategic leadership aligned with the principles of IPSAS and sound public financial management.</p> |

4. Key Management Team

| S | Member | Details |
|----|--|--|
| 1. |  Emmanuel Meres Principal/ Secretary BOG | Principal <ul style="list-style-type: none"> • Being overall head of Institution under the direction of the Board of Governors. • Serving as the Secretary to the Board. • Promoting linkages between the Institution and the neighbouring communities and organizations. |
| 2 |  Jane Oloibe Kiprono B.Ed Science M.Ed Education Planning SMC,SLDP | Deputy principal in-charge of administration <ul style="list-style-type: none"> • Administering of the Institution's in the absence of the Principal. • Coordinating all the departments and ensuring that the approved curriculum is implemented. • Maintaining student disciplinary in the Institution. • Guiding and counselling of trainers and trainees. • Supervision and maintenance of proper institution inventories of equipment and supplies |
| 3 |  Mr. Japhet K Kipchaba B.Ed Technology Education | Deputy principal in-charge of academics <ul style="list-style-type: none"> • Coordinating all the departments and ensuring that the approved curriculum is implemented. • Maintaining student disciplinary in the Institution. • Guiding and counselling of trainers and trainees. |

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

| | | |
|---|--|---|
| 4 |  Mr. Job Kurgat Bsc. Computer Science | <p>Registrar</p> <ul style="list-style-type: none"> • Head of Registry section. • Ensuring Admissions and registration of students. • Coordinating the marketing of college programmes. • Assessing teaching manpower needs in the Institution. <p>Serving as secretary to the Academic Board and Heads of Departments' meetings.</p> |
| 5 |  Mr. Kuboi Psiwa Bachelor's Degree In Math/Computer | <p>Dean of students</p> <ul style="list-style-type: none"> • Head of Students affairs in the Institution. • Organizing of orientation programmes. • Organizing and supervising students' elections, installation and training of student leaders. • Ensuring utilization of student's recreational facilities. <p>Coordinating the organization of students' government public lectures, clubs and societies.</p> |
| 6 |  CPA Augustine Kipkoech BCOM,CS finalist Ongoing MBA CPA-K - Member No. 24641 | <p>Finance officer</p> <ul style="list-style-type: none"> • In charge of Finance and Accounts department. • Preparation of financial reports. • Preparation of annual financial budgets. • Financial Advisor to the college. • Ensuring proper financial controls are in place. |
| 7 |  Emmily Jemutai MSC- Procurement and Logistics BBM-Purchasing Supply Chain. | <p>Procurement manager</p> <ul style="list-style-type: none"> • Administering the procurement section. • Preparing and analysing of tender documents. • Preparing procurement plan. • Ensuring inspection of goods delivered by suppliers. • Advising on matters relating to procurement. • Ensuring all departmental inventories are maintained and updated. <p>Conducting periodic market survey for cost and price analyses.</p> |

5. Chairman's Statement

On behalf of the Governing Council, I am pleased to present the financial statements of Ziwa Technical Training Institute for the year ended 30th June 2025, prepared in accordance with IPSAS reporting standards.

During the year, the Institute consolidated its gains in student enrolment, with strong numbers in both continuing and new admissions. Income-generating activities such as agriculture, transport, and short courses provided additional support to our financial base and demonstrated the potential of self-sustaining initiatives. We also continued to strengthen governance and administrative structures to enhance service delivery.

The Institute, however, faced challenges related to financing, infrastructure development, and the need to align resources with the increasing student population. These challenges underscored the importance of prudent financial management and innovative approaches to resource mobilization.

Looking ahead, the Governing Council remains committed to expanding and modernizing infrastructure, diversifying revenue streams, deepening collaborations, and leveraging ICT to improve efficiency in all operations. We also place emphasis on inclusivity, sustainability, and capacity building as key drivers of our growth.

I take this opportunity to thank the Government of Kenya, our partners, staff, and students for their continued support and commitment to advancing the mission of Ziwa Technical Training Institute. Together, we look forward to achieving greater milestones in the coming year.



Mr. Willy Kiptarbei Kenei
Chairman, Board of Governors
Ziwa Technical Training Institute

6. Report of Principal


It gives me great pleasure to present the financial and operational report of Ziwa Technical Training Institute for the year ended 30th June 2025. This year has been marked by growth, consolidation, and resilience as we pursued our mandate of delivering quality technical and vocational training while ensuring prudent financial management in line with IPSAS standards.

The Institute recorded a strong financial performance, with total revenue increasing to Kshs 203,882,404 compared to Kshs 168,600,584 in the previous year. This growth was driven mainly by student fees, which rose to Kshs 159,941,310, and enhanced transfers from the Government through CDTVET amounting to Kshs 41,259,804. Income-generating activities such as agriculture, transport, and short courses also made a notable contribution. On the expenditure side, costs were contained at Kshs 114,826,446 against Kshs 134,356,408 in the previous year, reflecting our efforts to streamline operations and achieve efficiency. Consequently, the Institute realized a net surplus of Kshs 90,055,957 compared to Kshs 34. in 2024.

Despite this positive performance, the Institute continues to face challenges, particularly in infrastructure development, financing gaps, and the need to align resources with the growing student population. Additionally, the decline in the value of property, plant, and equipment reflects the urgent need for investment in modern facilities and equipment to support quality training.

Looking ahead, our focus will be on sustaining enrolment growth, diversifying revenue sources, and strengthening our income-generating activities. We are also committed to expanding and upgrading infrastructure, integrating ICT in all operations, and deepening collaborations with government, industry, and development partners. These efforts will not only improve training outcomes but also enhance our contribution to national skills development and economic growth.

I take this opportunity to sincerely thank the Governing Council, staff, students, the Government of Kenya, and all partners for their continued support and dedication to the mission of Ziwa Technical Training Institute. Together, we remain confident of achieving even greater milestones in the years ahead.


Mr. Emmanuel Kimaru Meres
Principal
Ziwa Technical Training Institute

7. Statement of Performance against Predetermined Objectives

Ziwa TTI has seven strategic pillars /issues/ themes and objectives within current Strategic Plan for the 2023-2027. These strategic pillars are as follows:

- i. Collaboration, partnerships and linkages
- ii. In adequate financing
- iii. Internal Governance structure
- iv. Inadequate infrastructure and facilities
- v. Integration of ICT in all Ziwa TTI operations
- vi. Training Research and Innovations

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

| Strategic Pillars | Objective | Key Performance Indicators (KPIs) | Activities | Achievements |
|---|--|--|---|---|
| Collaboration, partnerships and linkages | Lobby for and initiate new collaboration and linkages and strengthen the existing ones. | Written proposals for partnerships. Report on reviewed MoUs. Correspondences and budgets. | Scan environment for potential partners. Assessment of the effectiveness of the existing MoUs. | We have collaborated with NYS, KCB and Equity Bank |
| In adequate financing | To increase trainee enrolment from current 1870 to 5,000 within 5 years. To develop and implement control measures to ensure 100% fees collection within 5 years. | Enrolment reports from the registry Scheduled open day evidence of hosted open day Distribution list of brochures Financial reports | Carry out marketing (road shows activities attend religious activities and youth forums) Place an advertisement in print media per year and use social media in marketing. Attend 3 career clinics in secondary | Revenue from fees increased to Kshs 159.9M (from 139.7M); agriculture and transport contributed additional income; bakery and textile units remained underutilized. |

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

| Strategic Pillars | Objective | Key Performance Indicators (KPIs) | Activities | Achievements |
|---|---|--|--|--|
| | To raise Ksh 25,000,000 from IGA and write grant proposals to increase our revenue base within 5 years. | | schools per year. Document fees collection guideline. Increase IGAs from the current 3 to 6 within 5 years. | |
| Internal Governance structure | Implement effective internal governance structures. | Filled appraisal forms. Minutes Filled baseline survey forms | Filling of staff appraisal forms. Analysis of appraisal. Conduct baseline survey Implement interventions Document procedures. Identify prioritised policies Form committees Develop policies. | The staff has filled appraisal forms. Appraisal has been done to staff. Implementation of interventions is underway. |
| Inadequate infrastructure and facilities | Develop and improve infrastructure and acquire modern training facilities. | Equipment assessment report. Financial and procurement records/ reports. Minutes List of identified projects. Completion certificates. | Conduct assessment of equipment that needs to be acquired/ upgraded. Procure install and commission equipment. Identification | Maintained facilities; however, limited financing slowed expansion. Decline in PPE value highlights urgent need |

| Strategic Pillars | Objective | Key Performance Indicators (KPIs) Project implementation reports. | Activities of projects. Conduct feasibility study | Achievements for. new investments |
|--|--|--|---|---|
| Integration of ICT in all Ziwa TTI operations | Leverage on the use of ICT in all Ziwa TTI operations and safely dispose of e-Waste. | System analysis report. System generated reports System analysed report Budget, procurement documents. e-waste disposal policy. e-Waste disposal report | Analyse and prioritize the existing system processes as per the user's needs. Develop or acquire automation software and ICT gadgets. Carry out system analysis. Acquire and deploy the prioritized modules. Customize e-Waste disposal to fit Ziwa TTI Identify e-Waste and dispose | ICT use enhanced in teaching and records management, improving efficiency and aligning with digital transformation goals. |
| Training Research and Innovations | Promote training, research and innovations. | Portfolio of evidence Certificate of participation on patents publications Award | Approval of session and learning plans. Conduct research, fabricate and patent innovation. Organize cultural land talent shows Participate in sports. | We participated in TVET fairs and music festivals. |

Overall Assessment

The Institute realized strong gains in enrolment, revenue growth, and governance, alongside steady progress in ICT integration and sustainability practices. However, infrastructure gaps, underutilized income streams, and limited financing remain key challenges. Going forward, the focus will be on modernizing facilities, diversifying income, and strengthening partnerships to sustain growth and deliver quality technical education

8. Corporate Governance Statement

Ziwa Technical Training Institute (ZTTI) is committed to the highest standards of corporate governance, integrity, and accountability. The Board of Governors is the supreme oversight organ responsible for providing strategic leadership, ensuring efficient use of resources, and safeguarding the interests of stakeholders in line with government policies and procedures.

Appointment, Composition, and Removal of Board Members

Board members, including the Chairman, are appointed through a transparent and merit-based process as guided by government circulars on the appointment of chairpersons and members of boards of public institutions. The process ensures regional balance, inclusivity, gender equity, and diversity of professional backgrounds. Removal of members follows due process as provided in the relevant guidelines in cases of misconduct, breach of ethics, or incapacity.

The Board is composed of individuals with diverse expertise in education, finance, public administration, and community service. This diversity enhances quality decision-making and promotes inclusivity. The formally adopted Board Charter provides the framework for roles, responsibilities, ethical conduct, and accountability.

Roles and Functions of the Board

The Board provides oversight in strategy, finance, and policy. Its functions include:

- Approving the strategic plan, budget, and major policies of the Institute.
- Overseeing performance and ensuring alignment of institutional objectives with the national TVET agenda.
- Safeguarding institutional assets and ensuring compliance with IPSAS, procurement laws, and other legal requirements.
- Promoting collaboration, linkages, and resource mobilization for institutional growth.
- Providing ethical and governance leadership in line with the Constitution of Kenya and public service values.

Induction, Training, and Development

Newly appointed members undergo structured induction on governance, laws, policies, and institutional operations. The Board continually builds capacity through workshops, seminars, and trainings facilitated by relevant government agencies, ensuring members remain up to date with governance trends, IPSAS reporting, and risk oversight.

Board Performance and Evaluation

The Board evaluates its performance annually against key criteria such as attendance, participation, decision-making, and ethical compliance. Outcomes of evaluations are used to strengthen governance capacity and inform reappointments.

Board Meetings and Attendance

During the year, the Board held regular meetings in line with the Charter. Attendance was satisfactory, and quorum was consistently achieved. Members demonstrated commitment to their roles, with most attending all scheduled sessions and actively contributing to deliberations.

Succession Planning and Conflict of Interest

The Institute has a succession planning framework to ensure leadership continuity for the Board Chair, committee chairs, and other critical roles. All members are required to declare any potential conflicts of interest annually and as they arise. Where conflicts are identified, members recue themselves from deliberations in line with the Charter.

Remuneration, Ethics, and Conduct

Remuneration of board members is strictly aligned to government guidelines and circulars on terms and conditions of service for boards of state institutions. The Board adheres to a Code of Ethics that upholds transparency, accountability, professionalism, and impartiality. Any breaches of ethical conduct are addressed firmly in accordance with established procedures.

Governance Audit, Communication, and Policies

The Institute undertakes periodic governance audits to assess compliance with legal requirements, internal controls, and governance best practices. A Communication Policy ensures decisions and reports are disseminated transparently to staff, students, government, and other stakeholders.

Board committees such as Finance, Development and General purpose, Risk and Audit and Human Resource and Education operate with clear Terms of Reference.

9. Management Discussion and Analysis

The financial year 2024/2025 marked a significant period of growth, operational strengthening, and strategic investment for the Institution. Despite a dynamic and often unpredictable economic environment, the Institution achieved notable milestones in revenue generation, cost efficiency, infrastructure development, and compliance with statutory obligations.

The Institution recorded a total revenue of KShs. 203,882,404 in FY 2024/2025 compared to KShs. 168,600,584 in FY 2023/2024, representing an increase of 21%. This growth was mainly driven by:

- Higher transfers from the National Government (CDTVET) of KShs. 41,259,804, compared to KShs. 22,198,000 in the prior year.

- Growth in student fees revenue, which rose to KShs. 159,941,310 from KShs. 139,704,662 in 2024.
- Improved sales of goods, increasing by 27%, from KShs. 1,853,240 to KShs. 2,360,390. Miscellaneous income, however, declined significantly from KShs. 4,844,682 to KShs. 320,900, reflecting reduced one-off incomes realized in the prior year. On the expenditure side, total expenses decreased by 15%, from KShs. 134,356,408 in 2024 to KShs. 113,826,446 in 2025. Key factors included:
 - Lower spending on goods and services (KShs. 69,990,947 vs. 85,130,179).
 - Reduction in depreciation charges, reflecting full depreciation of certain assets (KShs. 6,350,395 vs. 9,908,581).
 - Employee costs remained relatively stable at KShs. 23,672,780, compared to KShs. 25,718,631 in the prior year.As a result, the Institution realized a net surplus of KShs. 90,055,957, compared to KShs. 34,244,176 in 2024, demonstrating improved financial sustainability.

Key Projects Implemented

During the year, the Institution prioritized infrastructure development to support access and quality of training. Major projects included:

- Kacheliba TVC Administration and Tuition Block – supporting expansion of TVET institutions.
- Ziwa TTI Administration and ICT Centre – strengthening administrative efficiency and ICT integration in learning and management.

These projects are expected to improve institutional capacity and enhance the learning environment.

Compliance with Statutory Obligations

The Institute continued to comply with statutory and regulatory requirements, including timely remittance of:

- PAYE (Pay As You Earn) to Kenya Revenue Authority (KRA).
- NSSF (National Social Security Fund) contributions.
- NHIF (National Hospital Insurance Fund) deductions.
- NITA Levy (National Industrial Training Authority).
- Housing Levy as introduced under the Finance Act.

This compliance reflects the Institute's commitment to accountability and transparency.

Material Risks

The Institution recognizes the following material risks to financial sustainability and service delivery:

- Failure of timely fees payment by students, which may strain liquidity.
- Litigation from suppliers and lenders arising from contractual disputes or delayed payments.
- Cyber security threats and potential data loss, due to lack of robust data management policy.

Mitigation strategies, including strengthening internal controls, enhancing ICT infrastructure, and establishing clear debt management frameworks, are being pursued.

Financial Position

Total assets stood at KShs. 395,649,484 at the end of FY 2025, down from KShs. 444,983,390 in FY 2024. The decrease was mainly due to a decline in the value of property, plant, and equipment (from KShs. 265,744,477 to KShs. 115,057,452), reflecting divestiture of mentored institutions and depreciation.

Total liabilities stood at KShs. 101,823,045, up from KShs. 85,223,516 in FY 2024. The increase was mainly due to higher trade and other payables (KShs. 59,901,649 vs. 35,084,862). Borrowings decreased, with non-current liabilities reducing from KShs. 4,036,864 to KShs. 1,752,678.

Consequently, net assets declined by 19%, from KShs. 359,759,874 to KShs. 293,826,439.

The entity's financial probity and governance.

During the year 30th June, 2025 the institution did not report any financial improbity due to improved financial system established.

The National Treasury released guidelines on financial reporting at the end of last financial year, which we have complied with.

10. Environmental and Sustainability Reporting Statement

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

Sustainability strategy and profile.

In her strive towards achieving vision 2030; Kenya is searching for more sustainable economic and financial alternatives e.g. renewable energy, lower carbon footprints and greater social equity. In doing so, Kenya intends to put people at the centre of the three pillars of sustainable development ie Environmental, Social and Economic pillars. Ziwa TTI has therefore participated in struggle to ensure that Kenya achieves its goals through several ways which include but not limited to the following:

Construction of energy saving stoves

The college has acquired three energy saving stoves which use fire wood efficiently and effectively. The stoves produce less smoke as compared to the traditional stoves which produce a lot of emission to the environment. These stoves have saved the college a lot of money and also helped in conserving the environment.

Economical use of resources

The college has resolved to keenly analyse its spending so to avoid incurring a lot of cost due to purchase of inappropriate goods. We currently go for light and cheaper printing papers

for examination purposes. This has proved to serve the same purpose for examination purposes but at a cheaper cost and lower volumes.

Environmental Performance

We have also incorporated at least four out of eight environmental sustainability targets in our performance contract. We are further submitting quarterly reports to the National Environment and Management Authority (NEMA) on environmental sustainability. These reports are analysed by NEMA and give their reports on our performance they also submit a copy of the analysed feedback and quarterly report to the secretary.

Employee welfare

Human Resource Policies and Procedures

Our human resource policies and procedures are formal commitments to how we treat employees. The following policies and procedures have been developed over time, taking into account wherever possible of the views of employees.

Our aim is to provide a supportive working environment that helps employees feel valued and rewards behaviour that helps us to develop as an organization and achieve our overall objectives.

If you feel that they can be improved, please discuss with the HR Team

These policies and procedures do not form part of any contract of employment and are subject to change at the Boards discretion.

ZTTI's total reward framework

At Ziwa TTI, we take care to promote an environment in which people feel appreciated and empowered. We believe that people work best when they feel rewarded – not just by external factors such as good pay, pensions and terms and conditions, but also by the internal factors that motivate them as individuals. For this reason, we have adopted a total reward framework in which we explicitly value the financial and non-financial motivators.

The financial rewards include base pay and overtime pay

The non-financial rewards include the following:

Learning and development

Quality of work life

Employee assistance programme

We provide a confidential employee assistance programme which is available to all staff. The provider of this service can help staff with a wide range of stressful issues such as bereavement, relationship, legal and financial problems.

Recruitment and Selection Policy

Our aim is to ensure that we appoint highly qualified employees and conform to the relevant laws and regulations, well suited to the Institution and to the job concerned, always selecting on merit and in ways which conform to the best practice in diversity and equal opportunities.

Established Posts

Ziwa TTI Executive monitors, and from time to time agrees revisions, to the employee establishment. All requests to fill vacancies must firstly be discussed with HR. If recruitment is required it must be considered and approved by the Board, using a Proposal to appoint template.

Requests to the Principal to appoint staff must include a job description, person specification and team structure diagram. The job description and person specification will be available for candidates to see as part of the recruitment process. The person specification provides the basis of the selection criteria and methods to be used.

The following principles for recruitment will apply:

A proposal to appoint will need to be approved and signed by the Principal;

All posts will be advertised for 10 days (occasionally we may decide to advertise internally only, and if we do not recruit we will then advertise for 10 days.

If the vacancy still exists options such as secondment, sandwich placement, apprenticeships, will be considered, and if appropriate the necessary steps taken;

If the vacancy still exists, advertise externally, using fixed term appointments where appropriate, but with the ability to appoint permanently if required;

Market place practices

At Ziwa TTI We promote fair competition whichever form it might be, the following are some of the rules which guide activities of our officers to ensure that they don't interfere with fair competition.

Anti-competitive behaviour prohibited by such rules includes:

Collusion – when companies secretly communicate or agree on how they will compete, or appear to compete, in the marketplace.

Bid-rigging – when competitors artificially manipulate the bidding process so that the outcome is pre-determined or free and fair competition is otherwise limited or hindered.

Tying – when a company with market power forces customers to take products or services that they do not want or need.

Improper exclusive dealing –

when a company with a requisite level of market power agrees with others to do business/not do business with another party or parties or refuses to deal with another party or parties.

Employees Responsibility

Ziwa TTI colleagues are required to comply with applicable Competition Act 2019 and other laws and procedures.

Participation in Trade Associations

Ziwa Technical Training institute employee who participates in a trade, industry or professional group, should not use this group as a forum for reaching unlawful agreements or improperly exchanging competitively sensitive information. When joining any external association applicable to Ziwa TTI's line of business, Ziwa TTI's colleagues should review the agenda of each organization meeting in advance and not attend if it appears that inappropriate subjects will be discussed.

Maintaining Accurate Records and Reporting

Any interactions Ziwa TTI's employee have with competitors or suppliers and any records created relating to the interaction, such as e-mail messages, must be accurately recorded.

Management Responsibilities

Ziwa TTI's management is responsible for assessing the colleges risk related to the Competition Act and antitrust laws and to develop appropriate mitigation procedures relative to the colleges' level of risk.

Corporate Social Responsibility Statement/ Community Engagements

At Ziwa TTI we define CSR as a constant promise to operate with great regard to the quality of life of our employees, the local community where we operate and society at large. We recognize how global social and environmental factors are driving the need to re-examine the way the business is done. We have therefore transformed the way we incorporate CSR into our business.

The college participated in several CSR activities in this year which include but not limited to the following:

We organized and facilitated tree planting day at Ziwa and Kipsomba wards which attracted several members of the community, apart from tree planting the activity involved sensitizing community on importance of conserving the environment, encouraging the community members to educate the girl child who has been left behind in terms of education and sensitization of the community on the importance of cohesion and integration in the community.

We have also supported bereaved community member by giving out the college van to them and the societies in the college assist in other areas.

Other activities include the following, construction of a house to a disabled community member, participation in football friendly matches, and organization of Termly cultural day among other

11. Report of the Board of Governors

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

Principal activities

The principal activities of the college are to teach, and research in TVET.

Results

The results of the entity for the year ended June 30 2023 are set out on page 1 to 6

BOARD OF GOVERNORS

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

Auditors

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

By Order of the Board


.....

Mr Emmanuel K Meres
Secretary of the Board

12. Statement of Board of Governors Responsibilities

Section 83 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the board members to prepare financial statements in respect of the Institute, which give a true and fair view of the state of affairs of the Institute at the end of the financial period and the operating results of the Institute for that period. The board members are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The board members are also responsible for safeguarding the assets of the Institute.


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

The board members accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 schedule 2 of the Technical and Vocational Education and Training Act, 2013. The board members are of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the period ended 30th June 2025, and of the Institute's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

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

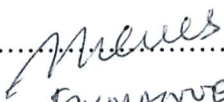
Approval of the financial statements

The Institute's financial statements were approved by the Board on 14th July 2025 and signed on its behalf by:

Signature..... 

Name.. WILLY KENEI

Chairman of the Board

Signature..... 

Name..... EMMANUEL MORES

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 ZIWA TECHNICAL TRAINING INSTITUTE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on the 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 Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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 Ziwa Technical Training Institute set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net

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

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

Basis for Qualified Opinion

1. Misstatements in Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects receivable from exchange transactions balance of Kshs.240,781,319 as disclosed in Note 18 to the financial statements. However, receivable generated from the system revealed a total of Kshs.335,351,953 resulting to unreconciled variance of Kshs.94,570,634.

In addition, included in the balance of Kshs.200,888,400, are long outstanding receivables categorized as follows; 1 - 2 years Kshs.40,245,650, 2 – 3 years Kshs.50,245,600 and over three (3) years Kshs.110,397,150. Management has not demonstrated any specific intervention put in place to collect the long outstanding balances.

In the circumstances, the accuracy and validity of receivables from exchange transactions balance of Kshs.240,781,319 could not be confirmed.

2. Unsupported Sports Expenses

The statement of financial performance reflects use of goods and services amount of Kshs.69,990,947 as disclosed in Note 10 to the financial statements. Included in the amount is Kshs.2,498,901 in respect of sports expenses which further included payments totalling to Kshs.1,908,292 in respect to various activities paid through the imprest system. However, a review of supporting documents revealed that there were no invitation letters, work tickets and fuel consumption receipts, attendance sheet and imprest warrant issued to authenticate the expenditure. In addition, amounts of Kshs.81,946 and Kshs.81,000 were paid to individuals without documentation.

In the circumstances, the accuracy of sports expenses of Kshs.2,498,901 could not be confirmed.

3. Irregular Expenditure on Local Travel

The statement of financial performance reflects use of goods and services amount of Kshs.69,990,947 as disclosed in Note 10 to the financial statements. Included in the amount is Kshs.5,066,847 in respect of travelling and accommodation. However, review of supporting documents revealed that the expenditure was not adequately supported with invitation letters, approval letters, work tickets, reports, minutes of meetings, and attendance registers.

In the circumstances, the accuracy and completeness of travelling and accommodation expenses of Kshs.5,066,847 could not be confirmed.

4. Misstatement of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.115,057,452 as disclosed in Note 20 to the financial statements. However, this balance excludes the value of land owned or where the Institution sits. In addition, the Institute does not have title deeds for the parcel of land, Mois Bridge/Siriwa Block, which is 14.1 acres donated by ACK Ziwa High School where the Institute operates. Further, the Institute received fifty (50) desktop computers donated by Konza Technopolis Development Authority which has not been valued along-side other assets.

In the circumstances, the accuracy, ownership and valuation of property, plant and equipment balance of Kshs.115,057,452 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ziwa 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 reflect final receipts budget and actual on comparable basis of Kshs.245,446,601 and Kshs.203,882,404 respectively resulting in under-performance of Kshs.41,563,703 or 17% of the budget. Similarly, the Institute spent Kshs.113,826,446 against actual receipt of Kshs.203,882,404 resulting to under-expenditure of Kshs.90,055,958 or 44% of the actual receipt.

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

My opinion is not modified in respect of 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 effect of the matters described in the Basis for Qualified Opinion section, I have determined that there were no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under Report on Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the issues remain unresolved. Refer to **Appendix I**.

Other Information

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

In connection with my audit on the Ziwa Technical Training 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. Delayed Completion of the Construction of an Administration Block and ICT Centre

As reported in the previous year, the Institution entered into an agreement with a contractor for the construction of Administration Block and ICT Centre at a contract sum of Kshs.34,441,375 through contract number ZTTI/BOG/ADM/2018-2019. The project, which commenced on 17 April, 2019 and was to be completed by 17 April, 2020 however, the projects is at 46% completion rate. The project has stalled and Management has not provided explanation on the way forward despite having received a total of Kshs.14,173,107 as per the last Board minutes dated 5 July, 2024.

Review of the correspondences between the contractor and Institution revealed that the contract was terminated vide letter dated 15 January, 2025. Management indicated that the termination was associated with funding challenges. However, no evidence was provided to confirm the assertion. Audit inspection conducted in the month of September, 2025 revealed that the project was incomplete and stalled despite transfers from the National Government of Kshs.10,000,000 in respect of the project.

In the circumstances, there was no value for money in respect of funds already disbursed for the project.

2. Lack of Approved Staff Establishment.

Audit review revealed that the Institution had a total of one hundred and thirty-six (136) staff comprising of forty-nine (49) trainers, sixty-eight (68) non-teaching staff, and nineteen (19) interns engaged by Board of Management. During the year, twenty-six (26) staff were recruited across various cadres. However, there was no evidence that the Institution had an approved staff establishment to guide recruitment and ensure alignment with organizational needs.

In the absence of approved staff establishment, it was not possible to confirm the staffing needs level requirements of the Institute.

3. Non-Compliance with Law on Ethnic Composition

Audit review established that the Institution had total workforce of one hundred and thirty-six (136) employees, of which one hundred and twenty-eight (128), representing 94%, were from the local same ethnic community. Further, it was noted that the Institute recruited twenty-six (26) new employees, all of whom also belonged to the same ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that (1) All public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no

public Institution shall have more than one third of its staff establishment from the same ethnic community.

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

4. Under Capitation for Students

Review of records revealed that the Institution received capitation grants of Kshs.5,638 per student translating to Kshs.23,217,284 instead of Kshs.30,000 per student totalling to Kshs.123,540,000 resulting to under capitation of Kshs.100,322,716. This was contrary to Circular Ref. No. MOEST/VT/2/12 Vol.II/(6) dated 21 June, 2018 from the Ministry of Education – State Department for Vocational and Technical Training on the training fees levied per student. In addition, the Institute budgeted for capitation grant of Kshs.57,127,417 instead of Kshs.30,000 per student for 4118 students that would amount to Kshs.123,540,000 thereby under budgeting by Kshs.66,412,583.

In the circumstances, the Institution was underfunded by a total of Kshs.100,322,716.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 November, 2025

Appendix I

Unresolved Prior Year Matters

| | Financial Year | Audit Issue |
|---|----------------|---|
| | | Qualified Opinion |
| 1 | 2023/2024 | Lack of Valuation on Property, Plant and Equipment |
| 2 | 2023/2024 | Unsupported for Fuel Expenditure |
| 3 | 2023/2024 | Unaccounted Board Expenditure |
| 4 | 2023/2024 | Unsupported Long Outstanding Payables |
| 5 | 2023/2024 | Unaccounted for Motor Vehicle Repairs |
| | | Report on Lawfulness and Effectiveness in the Use of Public Resources |
| 1 | 2023/2024 | Irregular Procurement of Goods and Services |
| 2 | 2023/2024 | Stalled Project; Construction of Administration and ICT Center |
| 3 | 2023/2024 | Employee Earning less than a Third of their Basic Pay |
| 4 | 2023/2024 | Noncompliance with Law on Ethnic Composition |
| 5 | 2023/2024 | Human Resource and Payroll Management Deficiencies |
| | | Report on Effectiveness of Internal Controls, Risk Management and Governance |
| 1 | 2023/2024 | Lack of Board Charter |
| 2 | 2023/2024 | Lack of Risk Management Policy and Strategy |
| 3 | 2023/2024 | Lack of Internal Audit Function |


14. Statement of Financial Performance for the Year Ended 30 June 2025

| | Notes | 2025-2025 | 2023-2024. |
|--|-------|--------------------|--------------------|
| | | Kshs | Kshs |
| Revenue from Non-Exchange transactions | | | |
| Transfers from other National Government entities (CDTVET) | 6 | 41,259,804 | 22,198,000 |
| | | 41,259,804 | 22,198,000 |
| Revenue from Exchange transactions | | | |
| Rendering of services - fees from students | 7 | 159,941,310 | 139,704,662 |
| Sale of goods | 8 | 2,360,390 | 1,853,240 |
| Miscellaneous income | 9 | 320,900 | 4,844,682 |
| Revenue from Exchange transactions | | 162,622,600 | 146,402,584 |
| Total Revenue | | 203,882,404 | 168,600,584 |
| Expenses | | | |
| Use of goods and services | 10 | 69,990,947 | 85,130,179 |
| Employee costs | 11 | 23,672,780 | 25,718,631 |
| Board Expenses | 12 | 5,407,127 | 4,421,975 |
| Depreciation and amortization expense | 13 | 6,350,395 | 9,908,581 |
| Repairs and maintenance | 14 | 7,736,258 | 8,550,867 |
| Grants and subsidies | 15 | 0 | 264,600 |
| Finance costs | 16 | 668,939 | 361,575 |
| Total Expenses | | 113,826,446 | 134,356,408 |
| Net surplus for the year | | 90,055,957 | 34,244,176 |

The Financial Statements set out on pages 1 to 10 were signed by:


.....
Chairman of Board

Date 21/10/2025


.....
Principal

Date 21/10/2025


.....
Finance Officer

ICPAK No 24641

Date 21/10/2025

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

| Description | Notes | 2024-2025 | 2023-2024 |
|---|-------|--------------------|--------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 17 | 32,072,526 | 10,488,622 |
| Current portion of receivables from exchange transactions | 18(a) | 39,892,919 | 162,308,174 |
| Inventories | 19 | 2,295,979 | 1,142,161 |
| Total Current Assets | | 74,261,424 | 173,938,957 |
| Non-Current Assets | | | |
| Long term receivables from exchange transactions | 18(b) | 200,888,400 | -- |
| Property, plant, and equipment | 20 | 115,057,452 | 265,744,477 |
| Intangible assets | 21 | 4,627,708 | 5,299,956 |
| Biological Assets | 22 | 814,500 | -- |
| Total Non-Current Assets | | 321,388,060 | 271,044,432 |
| Total Assets (A) | | 395,649,484 | 444,983,389 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables from exchange transactions | 23 | 32,248,771 | 35,084,862 |
| Refundable deposits from customers | 24 | 0 | 9,200 |
| Payments received in advance | 25 | 40,168,718 | 46,092,590 |
| Total Current Liabilities | | 72,417,489 | 81,186,652 |
| Non-Current Liabilities | | | |
| Non- Current Borrowings | 26 | 1,752,678 | 4,036,864 |
| Long Term Trade and Other Payables | 27 | 27,652,878 | -- |
| Total non- current liabilities | | 29,405,556 | 4,036,864 |
| Total Liabilities (B) | | 101,823,045 | 85,223,516 |
| Net Assets (A-B) | | 293,826,439 | 359,759,873 |
| Represented By: | | | |
| Accumulated Surplus | | 162,764,368 | 81,502,960 |
| Capital Fund | | 131,062,071 | 278,256,913 |
| Net Assets | | 293,826,439 | 359,759,873 |

The Financial Statements set out on pages 1 to 10 were signed by:

.....
Chairman of Board

.....
Principal

.....
Finance Officer
ICPAK No 24641

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

Date Date Date

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

| Description | Revaluation reserve | Accumulated Fund | Capital Grants/Fund | Total |
|---|---------------------|--------------------|---------------------|--------------------|
| At July 1, 2024 | | 47,258,785 | 265,299,913 | 312,558,698 |
| Revaluation gain | | - | - | |
| Surplus for the year | - | 34,244,175 | 0 | 34,244,176 |
| Capital grants received during the year | - | | 12,957,000 | 12,957,000 |
| At June 30, 2025 | | 81,502,960 | 278,256,913 | 359,759,873 |
| At July 1, 2025 | | 81,502,960 | 278,256,913 | 359,759,873 |
| Surplus for the year | - | 90,055,957 | 0 | 90,055,957 |
| Adjustment | - | -8,794,549 | -147,194,842 | -155,989,391 |
| At June 30th, 2025 | | 162,764,368 | 131,062,071 | 293,826,439 |

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

| Description | Note | 2024-2025 | 2023-2024 |
|--|------|---------------------|--------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from other National Government entities(CDTVET) | 6 | 41,259,804 | 22,198,000 |
| Rendering of services- fees from students | | 93,057,040 | 66,364,021 |
| Sale of goods | | 2,342,890 | 1,853,240 |
| Retained earnings | | 0 | 6,434,638 |
| Miscellaneous income | | 320,900 | 1,949,500 |
| Total Receipts | | 136,980,634 | 98,799,399 |
| Payments | | | |
| Use of goods and services | | 65,509,811 | 63,987,286 |
| Employee costs | | 24,849,275 | 25,718,631 |
| Board Expenses | | 5,871,577 | 4,421,975 |
| Repairs and maintenance | | 792,795 | 3,594,009 |
| Grants and subsidies | | 0 | 110,740 |
| Total Payments | | 97,023,458 | 97,832,641 |
| Net Cash Flows from operating activities | 27 | 39,957,176 | 966,758 |
| Cash flows from investing activities | | | |
| Capital funds | | | 12,957,000 |
| Purchase of property, plant, equipment and intangible assets | | (8,065,852) | (776,775) |
| Proceeds from sale of property, plant and equipment | | | |
| Net cash flows used in investing activities | | (8,065,852) | 12,180,225 |
| Cash flows from financing activities | | | |
| Proceeds from Borrowing | | 00 | 2,893,182 |
| Payment of students exam fees | | (7,353,430) | |
| Repayment of Borrowings | | (2,284,187) | (10,793,657) |
| Finance cost | | (668,939) | 0 |
| Net cash flows used in financing activities | | (10,306,556) | (7,900,475) |
| Net Increase/(Decrease)in Cash and Cash equivalents | | 21,584,768 | 5,246,508 |
| Adjustment | | (864) | |
| Cash and Cash equivalents at 1JULY 2024 | 17 | 10,488,623 | 5,242,114 |
| Cash and Cash equivalents at 30 JUNE 2025 | 17 | 32,072,526 | 10,488,622 |

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

| Description | Original budget | Adjustments | Final budget | Actual on comparable basis | Performance difference | Utilization Difference |
|---|--------------------|--------------------|--------------------|----------------------------|------------------------|------------------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | % |
| | a | B | c=(a+b) | d | e=(c-d) | f=d/c*100 |
| Budget carry overs from the previous year* | - | | | | | |
| Receipts | | | | | | |
| Transfers from other National Government entities | 57,127,417 | 14,281,854 | 57,127,417 | 41,259,804 | 15,867,613 | 72% |
| Rendering of services- fees from students | 171,315,184 | 42,828,796 | 171,315,184 | 159,941,310 | 11,373,874 | 93% |
| Sale of goods | 5,904,000 | 1,476,000 | 5,904,000 | 2,360,390 | 3,543,610 | 39% |
| Miscellaneous Income | 11,100,000 | 2,775,000 | 11,100,000 | 320,900 | 10,779,100 | 3% |
| Total Receipts | 245,446,601 | 61,361,650 | 245,446,601 | 203,882,404 | 41,563,703 | 82% |
| Payments | | | | | | |
| Use of goods and services | 112,854,275 | 28,213,569 | 112,854,275 | 69,990,947 | 42,825,328 | 62% |
| Employee costs | 23,293,644 | 5,823,411 | 23,293,644 | 23,672,780 | -379,136 | 102% |
| Board Expenses | 4,260,000 | 1,065,000 | 4,260,000 | 5,407,127 | -1,611,577 | 127% |
| Repairs and maintenance | 6,393,500 | 1,598,375 | 6,393,500 | 7,736,258 | -1,332,758 | 121% |
| General expenses | 200,000 | 50,000 | 200,000 | 0 | 200,000 | 0% |
| Depreciation | 8,182,172 | 2,045,543 | 8,182,172 | 6,350,395 | 1,835,417 | 78% |
| Finance cost | | | | 668,939 | | |
| Total Expenditure Payments | 155,183,591 | 155,183,591 | 155,183,591 | 113,826,446 | 33,772,879 | 73% |
| Surplus/Deficit | - | - | - | 90,055,958 | - | - |

Budget Reconciliation

| | Description of Particulars | Amount in Kshs |
|----|--|-------------------|
| | Actual Surplus Amounts as per the statement of Budget | 90,055,957 |
| 1 | Depreciation and amortisation | 6,350,395 |
| 3 | Increase in inventory | -1,153,818 |
| 4 | Increase in receivables | -68,078,265 |
| 5 | Increase in payables | 12,113,968 |
| 6 | Purchase of property plant and equipment | -8,065,852 |
| 7 | Payment of students exam fees | -7,353,430 |
| 8 | Repayment of borrowings | -2,284,187 |
| 9 | Cash and cash equivalents at 1 st July 2025 | 10,488,623 |
| 10 | Adjustment | -864 |
| | Closing Cash and Cash Equivalent as per the statement of Cash flows | 32,072,527 |

19. Notes to the Financial Statements

1. General Information

Ziwa TTI 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 train.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2024, it is applicable in Kenya from 1st July 2025)

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

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

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

| 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. |
| IPSAS45: 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. |

| | |
|--|---|
| <p>IPSAS 46: Measurement</p> | <p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> |
| <p>IPSAS47: Revenue</p> | <p><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 cash flow arising from revenue transactions.</p> |
| <p>IPSAS48: Transfer Expenses</p> | <p><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.</p> |
| <p>IPSAS49: Retirement Benefit Plans</p> | <p><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.</p> |
| <p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p> | <p><i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such |

| | |
|--|--|
| | <p>assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</p> <p>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> |
|--|--|

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on .No subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of Cash flows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per the first schedule of the *Income tax* Act Cap 470 paragraph 10.

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) Biological Assets

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

i) Research and development costs

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

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

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

j) Financial instruments

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

financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements*. 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 (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

r) Borrowing costs

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

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

s) Related parties

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

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

f) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

6. Transfers from other National Government entities

| Description | 2024-2025 | 2023-2024 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Un-conditional Grants | | |
| Capitation Grants | 30,260,149 | 22,198,000 |
| Kacheliba TVC Operations grants | 999,655 | |
| Total unconditional Grants | 31,259,804 | 22,198,000 |
| Conditional Grants amortised/ recognised in revenue | | |
| Administration Block Grant | 10,000,000 | |
| Total Government Grants and Subsidies | 41,259,804 | 22,198,000 |

(a) Transfers from other Government entities (Categorized)

| Name of the Entity Sending The Grant | Amount recognized to Statement of Financial performance * | Amount deferred under deferred income | Amount recognised in capital fund. | Total grant income during the year | Comparative FY |
|--------------------------------------|---|---------------------------------------|------------------------------------|------------------------------------|-------------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs |
| State Department of TVET | 41,259,804 | | | 41,259,804 | 35,155,000 |
| Total | 41,259,804 | | | 41,259,804 | 35,155,000 |

7. Rendering of Services

| Description | 2024-2025. | 2023-2024 |
|---|--------------------|--------------------|
| | Kshs | Kshs |
| Tuition Fees | 159,941,310 | 139,704,662 |
| Total Revenue from Rendering of Services | 159,941,310 | 139,704,662 |

NB Total invoices amounted to Ksh. 302,364,841 however 142,423,531 are capitation which should be recognised only if received after year end and relating to the year under review.

8. Sale of Goods

| Description | 2024-2025 | 2023-2024 |
|---|------------------|------------------|
| | Kshs | Kshs |
| Income generating activities | 2,360,390 | 1,853,240 |
| Total Revenue from Sale of Goods | 2,360,390 | 1,853,240 |

9. Miscellaneous Income

| Description | 2024-2025 | 2023-2024 |
|---------------------------------|----------------|------------------|
| | Kshs | Kshs |
| Motor vehicle insurance refunds | 25,000 | 4,844,682 |
| Sale of scrubs | 295,900 | — |
| Total other income | 320,900 | 4,844,682 |

10. Use of Goods and Services

| Description | 2024-2025 | 2023-2024 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Teaching and learning materials | 416,680 | 5,888,911 |
| Industrial attachment costs | 1,549,724 | 1,508,402 |
| Electricity | 1,751,007 | 1,531,549 |
| Water and conservancy | 975,638 | 2,935,199 |
| Practical expenses | 11,469,520 | 12,372,113 |
| Administration | 22,072,781 | 17,437,589 |
| IGU expenses | 990,794 | 1,512,041 |
| Catering, conferences, and delegations | 16,911,754 | 26,004,195 |
| Travelling and accommodation | 5,066,498 | 6,963,745 |
| Insurance | 615,812 | — |
| Fuel and oil | 836,089 | — |
| TVET fairs | — | 569,510 |
| Driving school | 272,400 | 704,000 |
| Insurance | — | 43,249 |
| CSR | 162,500 | — |
| Farm | 436,254 | 810,680 |
| Student union | 1,782,539 | — |
| Academic Trips | 124,350 | 582,617 |
| Bank charges | 406,617 | — |
| PC | 36,800 | — |
| Fees Refunds | 25,750 | 100,020 |
| Sports | 2,498,901 | 1,765,862 |
| Medical | 267,854 | 244,582 |
| Graduation | — | 3,923,620 |
| Kacheliba TVC administration expenses | 732,685 | 232,295 |
| Refunds | 588,000 | — |
| Total good and services | 69,990,947 | 85,130,179 |

11. Employee Costs

| Description | 2024-2025 | 2023-2024 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Salaries and wages | 232,698,26 | 20,290,374 |
| Employee related costs-contributions to pensions and medical aids | | |
| NSSF 109,932 | 402,954 | 5,428,257 |
| NITA 48,573 | | |
| Housing Levy 244,449 | | |
| Employee Costs | 23,672,780 | 25,718,631 |

12. Board Expenses

| Description | 2024-2025 | 2023-2024 |
|----------------------|------------------|------------------|
| | Kshs | Kshs |
| Other Board Expenses | 5,407,127 | 4,421,975 |
| Total | 5,407,127 | 4,421,975 |

13. Depreciation and Amortization expense

| Description | 2024-2025 | 2023-2024 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Property, plant and equipment | 5,678,147 | 9,908,581 |
| Intangible assets | 672,248 | |
| Total depreciation and amortization | 6,350,395 | 9,908,581 |

14. Repairs and Maintenance

| Description | 2024-2025 | 2023-2024 |
|--------------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Property | | 146,800 |
| Buildings | 5,522,460 | 4,541,313 |
| Vehicles | 1,493,269 | 953,734 |
| Computers and accessories | 720,529 | 2,909,020 |
| Total Repairs and Maintenance | 7,736,258 | 8,550,867 |

15. Grants and Subsidies

| Description | 2024-2025 | 2023-2024 |
|-----------------------------------|-----------|----------------|
| | Kshs | Kshs |
| CSR | | 264,600 |
| Total Grants and Subsidies | | 264,600 |

16. Finance Costs

| Description | 2024-2025 | 2023-2024 |
|---|----------------|----------------|
| | Kshs | Kshs |
| Interest on Loans from Commercial Banks | 668,939 | |
| Others (Bank charges) | | 361,575 |
| Total Finance Costs | 668,939 | 361,575 |

17. Cash and Cash Equivalents

| Description | 2024-2025 | 2023-2024 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Current Account-01129672837200 | 1,441,466 | 1,249,155 |
| Kacheliba TVC | 351,242 | 6,383,229 |
| Development account-01129672837201 | 18,410,220 | 38,864 |
| KCB fees collection a/c | 10,868,813 | 916,839 |
| NCBA account | | 463,214 |
| CDF account | 1,000,785 | |
| M-pesa | | 239,697 |
| Others (Cash) | | 1,197,624 |
| Total Cash and Cash Equivalents | 32,072,526 | 10,488,622 |

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

| Financial Institution | Account number | 2024-2025 | 2023-2024 |
|--|----------------|-------------------|-------------------|
| | | Kshs | Kshs |
| a) Current Account | | | |
| Co-operative bank- Development | 01129672837201 | 18,410,220 | 38,864 |
| Kenya Commercial Bank-fees collection | 1236084373 | 10,868,813 | 916,839 |
| Co-operative bank | 01129672837200 | 1,441,466 | 1,249,155 |
| KCB -Kacheliba | 1262765110 | 351,242 | 6,383,229 |
| NCBA | 4123980016 | | 463,214 |
| Co- operative BANK -CDF | 01141672837200 | 1,000,785 | |
| M-Pesa | 671674 | | 239,697 |
| Sub- Total | | 32,072,526 | 9,290,998 |
| b) Others(Specify) | | | |
| Cash in Hand | | | 1,197,624 |
| Sub- Total | | | 1,197,624 |
| Grand Total | | 32,072,526 | 10,488,622 |

18. Receivables from Exchange transactions

18 (a) Current Receivables from Exchange transactions

| Description | 2024-2025 | 2023-2024 |
|----------------------------------|-------------------|--------------------|
| | Kshs | Kshs |
| Current Receivables | | |
| Student Debtors | 38,698,924 | 162,308,174 |
| Salary advance | 1,176,495 | - |
| Coffee debtors | 17,500 | - |
| Total Current Receivables | 39,892,919 | 162,308,174 |

18(a) Ageing Analysis of Receivables from Exchange transactions

| Description | Period ended 30 th June 2025. | | Period ended 30 th June 2025. | |
|--------------------|--|-------------|--|-------------|
| | Kshs | | Kshs | |
| | Current FY | % of total | Comparative FY-insert the yr | % of total |
| Less than 1 year | 39,892,919 | 100% | 162,308,174 | 100% |
| Total (a+b) | 39,892,919 | 100% | 162,308,174 | 100% |

18 (b) Long-term Receivables from Exchange transactions

| Description | 2024-2025 | 2023-2024 |
|--------------------------------------|--------------------|-----------|
| | Kshs | Kshs |
| Student Debtors | 200,888,400 | - |
| Total Non-Current Receivables | 200,888,400 | - |

18 (b) Ageing Analysis of Receivables from Exchange transactions

| Description | Period ended 30 th June 2025. | | Period ended 30 th June 2025. | |
|--------------------|--|-------------|--|-------------|
| | Kshs | | Kshs | |
| | Current FY | % of total | Comparative FY-insert the yr | % of the to |
| Between 1- 2 years | 40,245,650 | 20% | - | % |
| Between 2-3 years | 50,245,600 | 25% | - | % |
| Over 3 years | 110,397,150 | 55% | - | % |
| Total (a+b) | 200,888,400 | 100% | | % |

19. Inventories

| Description | 2024-2025 | 2023-2024 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Consumable stores | 2,295,979 | 1,142,161 |
| Total Inventories at lower of Cost and Net Realizable Value | 2,295,979 | 1,142,161 |

20. (a) Property, Plant and Equipment

| | LAND | Buildings | MOTOR VEHICLES | PLANT AND EQUIPMENT | FURNITURE AND EQUIPMENT | COMPUTERS | OTHER ASSETS | WIP | Total |
|-------------------------------|------|-------------|----------------|---------------------|-------------------------|-----------|--------------|---------------|--------------|
| Cost | | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| | | 2% | 25% | 12.50% | 12.50% | 33.30% | 13% | | |
| At 30 th June 2023 | | 101,876,684 | 14,920,500 | 5,997,207 | 11,960,183 | 6,831,058 | 9,285,231 | 163,089,044 | 313,959,907 |
| Additions | | - | - | 354,775 | 152,000 | 270,000 | - | - | 776,775 |
| Disposals | | 0 | 0 | 0 | 0 | 0 | | | 0 |
| Transfer/Adjustments | | | | | | | | | 0 |
| At 30 th June 2024 | | 101,876,684 | 14,920,500 | 6,351,982 | 12,112,183 | 7,101,058 | 9,285,231 | 163,089,044 | 314,736,682 |
| Additions | | | | 594,500 | 47,925 | 1,515,540 | 28,000 | 0 | 2,185,965 |
| Disposals | | | | | | | | 0 | 0 |
| Transfer/Adjustments | | | | | | | | (147,194,842) | -147,194,842 |
| At 30 th June 2025 | | 101,876,684 | 14,920,500 | 6,946,482 | 12,160,108 | 8,616,598 | 9,313,231 | 15,894,202 | 169,727,805 |
| Depreciation And Impairment | | | | | | | | | 0 |
| At 30 June 2023 | | 8,440,970 | 12,131,300 | 1,448,268 | 5,713,615 | 7,439,771 | 4,581,949 | | 39,755,873 |
| Depreciation | | 2,037,533 | 3,730,125 | 793,998 | 1,514,023 | 0 | 1,160,654 | | 9,236,333 |
| Disposals | | | | | | | | | 0 |
| Impairment | | | | | | | | | 0 |
| Transfer/Adjustment | | | | | | | | | 0 |
| At 30 th June 2024 | | 10,478,503 | 15,861,425 | 2,242,266 | 7,227,638 | 7,439,771 | 5,742,603 | | 48,992,206 |
| Depreciation | | 2,037,534 | 0 | 868,811 | 1,520,014 | 41,068 | 1,210,720 | - | 5,678,147 |
| Disposals | | - | - | - | - | - | - | | 0 |
| Impairment | | - | - | - | - | - | - | | 0 |
| Transfer/Adjustment | | - | - | - | - | - | - | | 0 |
| At 30 th June 2025 | | 12,516,037 | 15,861,425 | 3,111,077 | 8,747,652 | 7,480,839 | 6,953,323 | | 54,670,353 |
| Net book values | | | | | | | | | 0 |
| At 31 st June 2024 | | 91,398,181 | -940,925 | 4,109,716 | 4,884,545 | -338,713 | 3,542,628 | 163,089,044 | 265,744,476 |
| At 31 st June 2025 | | 89,360,647 | -940,925 | 3,835,405 | 3,412,456 | 1,135,759 | 2,359,908 | 15,894,202 | 115,057,452 |

WIP is in reference to Administration and ICT centre. The college has 14.87 acres of land which was donated by ACK Ziwa High School and it's yet to be valued.

Notes to the Financial Statements (Continued)

Valuation

The assets are yet to be valued.

20 (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

| Description | Cost | Accumulated Depreciation | NBV |
|---|--------------------|--------------------------|--------------------|
| | Kshs | Kshs | Kshs |
| Land | | | |
| Buildings | 101,876,684 | 12,516,037 | 89,360,647 |
| Plant And Machinery | 6,946,482 | 3,111,077 | 3,835,405 |
| Motor Vehicles including Motorcycles | 14,920,500 | 15,861,425 | -940,925 |
| Computers and Related Equipment | 8,616,598 | 7,480,839 | 1,135,759 |
| Office Equipment, Furniture, And Fittings | 12,160,108 | 8,747,652 | 3,412,456 |
| Other assets | 9,313,231 | 6,953,323 | 2,359,908 |
| WIP | 15,894,202 | | 15,894,202 |
| Total | 169,727,805 | 54,670,353 | 115,057,452 |

21. Intangible Assets

| Description | 2024-2025 | 2023-2024 |
|------------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Cost | | |
| At beginning of the year | 6,722,481 | 6,722,481 |
| Additions | | |
| At end of the year | 6,722,481 | 6,722,481 |
| Amortization and impairment | | |
| At beginning of the year | 1,422,525 | 750,277 |
| Amortization | 672,248 | 672,248 |
| At end of the year | 2,094,773 | 1,422,525 |
| NBV | 4,627,708 | 5,299,956 |

22. Biological Assets

| Description | 2024-2025 | 2023-2024 |
|-----------------------|----------------|-----------|
| | Kshs | Kshs |
| Animals: Dairy cattle | 814,000 | - |
| NBV | 814,000 | - |

23. Trade and Other Payables

| Description | 2024-2025 | | 2023-2024 | |
|---------------------------------------|-------------------|-----------------------|-----------------------|-----------------------|
| | Kshs | | Kshs | |
| Trade payables | 32,248,771 | | 35,084,862 | |
| Total Trade and other Payables | 32,248,771 | | 35,084,862 | |
| | | | | |
| Ageing analysis: | Current FY | % of the Total | Comparative FY | % of the Total |
| Under one year | 32,248,771 | 54% | 35,084,862 | 100% |
| 1-2 years | - | 35% | - | |
| 2-3 years | - | 11% | - | |
| Total | 32,248,771 | 100% | 35,084,862 | 100% |

24. Refundable Deposits from Customers/student

| Description | 2024-2025 | 2023-2024 |
|---------------|-----------|-------------|
| | Kshs | Kshs |
| Caution money | - | 9200 |
| NBV | - | 9200 |

Retirement benefit Asset/ Liability

Ziwa Technical Training Institute does not operate a defined benefit retirement scheme for its employees. Instead, staff is covered under the statutory retirement benefit arrangements as provided by the Government of Kenya through the Public Service Superannuation Scheme (PSSS) and the National Social Security Fund (NSSF), in line with the Retirement Benefits Act.

Consequently, the Institute has no defined benefit obligation, and therefore no actuarial valuation is required under IPSAS 39. The Institute's responsibility is limited to making statutory employer contributions to these national schemes as prescribed by law.

25. Payments received in advance.

| Description | 2024-2025 | | 2023-2024 | |
|---------------------------|-------------------|-----------------------|-----------------------|-----------------------|
| | Kshs | | Kshs | |
| Fees received in advance | 40,168,718 | | 46,092,590 | |
| Ageing analysis: - | Current FY | % of the Total | Comparative FY | % of the Total |
| Under one year | | | 46,092,590 | 100% |
| 1-2 years | | | | |
| 2-3 years | 40,168,718 | 100% | | |
| Over 3 years | | | | |
| Total | 40,168,718 | 100% | 46,092,590 | 100% |

26. Borrowings

| Description | 2024-2025 | 2023-2024 |
|---|------------------|------------------|
| | Kshs | Kshs |
| Balance at beginning of the year | 4,036,864 | 5,857,147 |
| Repayments of domestic borrowings during the year | 2,284,186 | 1,820,283 |
| Balance at end of the year | 1,752,678 | 4,036,864 |

26(a) Breakdown of Long and Short-Term Borrowings

| Description | 2024-2025 | 2023-2024 |
|----------------------|------------------|-----------|
| | Kshs | Kshs |
| Long Term Borrowings | 1,752,678 | |
| Total | 1,752,678 | |

27. Long Term Trade and Other Payables

| Description | 2024-2025 | | 2023-2024 | |
|---------------------------------------|-------------------|-----------------------|-----------|--|
| | Kshs | | Kshs | |
| Trade payables | 27,652,878 | | | |
| Total Trade and other Payables | 27,652,878 | | | |
| Ageing analysis: | Current FY | % of the Total | | |
| 1-2 years | 21,169,791 | 35% | | |
| 2-3 years | 6,483,087 | 11% | | |
| Total | 27,652,878 | 46% | | |

28. Cash generated from operations.

| Surplus for the year before tax | 2024-2025 | 2023-2024 |
|--|-------------------|-----------|
| | Kshs | Kshs |
| Surplus for the year before tax | 90,055,957 | |
| Adjusted for: | | |
| Depreciation and amortization | 6,350,395 | |
| Finance Cost | 668,939 | |
| Working Capital Adjustments | | |
| Increase in Inventory | -1,153,818 | |
| Increase in Receivables | -68,078,265 | |
| Increase in Payables | 12,113,968 | |
| Net Cash Flow from Operating Activities | 39,957,176 | |

29. Financial Risk Management

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

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

i. Credit risk

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

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

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

| Description | Total amount Kshs | Fully performing Kshs | Past due Kshs | Impaired Kshs |
|--|----------------------|--------------------------|------------------|------------------|
| At 30 June 2024 | | | | |
| Receivables from exchange transactions | 162,308,174 | | 162,308,174 | |
| Receivables from non-exchange transactions | 0 | | | |
| Bank balances | 10,488,622 | | | |
| Total | 172,796,796 | | | |
| At 30 June 2025 (current year) | | | | |
| Receivables from exchange transactions | 240,781,319 | 39,892,919 | 200,781,319 | |
| Receivables from non-exchange transactions | 0 | | | |
| Bank balances | 32,072,526 | | | |
| Total | 272,853,845 | | | |

Financial risk management (continued)

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

The entity has significant concentration of credit risk on amounts due from graduated students.

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

ii. Liquidity risk management

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

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

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|-------------------------------|-------------------|--------------------|-------------------|-------------------|
| | Kshs | Kshs | Kshs | Kshs |
| At 30 June 2024 | | | | |
| Trade Payables | 6,250,320 | 15,645,345 | 13,189,197 | 35,084,862 |
| Current Portion Of Borrowings | | 984,236 | 1,968,472 | 2,952,708 |
| Provisions | | | | |
| Deferred Income | | | | |
| Employee Benefit Obligation | 2,125,645 | 4,251,290 | 19,130,805 | 25,507,740 |
| Total | 8,375,965 | 20,880,871 | 34,288,474 | 63,545,310 |
| At 30 June 2025 | | | | |
| Trade Payables | 8,945,645 | 10,245,650 | 40,710,354 | 59,901,649 |
| Current Portion Of Borrowings | | 984,236 | 1,968,472 | 2,952,708 |
| Provisions | | | | |
| Deferred Income | | | | |
| Employee Benefit Obligation | 2,125,645 | 4,251,290 | 19,130,805 | 25,507,740 |
| Total | 11,071,290 | 15,481,176 | 61,809,631 | 88,362,097 |

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.

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.

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 | 2024-2025 | 2023-2024 |
|---|--------------------|--------------------|
| | Kshs | Kshs |
| Retained Earnings | 162,764,368 | 81,502,960 |
| Capital Reserve | 131,062,071 | 278,256,913 |
| Total Funds | 293,826,439 | 359,759,873 |
| Total Borrowings | 1,752,678 | 4,036,864 |
| Less: Cash and Bank Balances | 32,072,526 | 10,488,622 |
| Net Debt/(Excess Cash and Cash Equivalents) | 30,319,848 | 6,451,758 |
| Gearing | 9.3% | 1.76% |

Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

| Description | 2024-2025 | 2023-2024 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| B) Purchases from related parties | | |
| Purchases of electricity from KPLC | 1,751,007 | 1,531,549 |
| Total | 1,751,007 | 1,531,549 |
| a) Grants /Transfers from the Government | | |
| Grants from National Govt | 41,259,804 | 22,198,000 |
| Fees for NYS students | 40,230,800 | |
| Total | 81,490,604 | 22,198,000 |
| b) Expenses incurred on behalf of related parties | | |
| Payments for Goods and Services for Kacheliba TVC | 732,685 | |
| Total | 732,685 | |
| c) Key Management Compensation | | |
| Directors' emoluments | 5,407,127 | 4,421,975 |
| Total | 5,407,127 | 4,421,975 |

30. Events After The Reporting Period

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

31. Ultimate And Holding Entity

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

32. Currency

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

33. Prior year adjustment

| SN | DETAILS | AMOUNT |
|-----------|---|--------------------|
| 1 | Adjustment of payables (recognition of omitted payables) | 15,067,607 |
| 2 | Adjustment of payment in advance | -5,923,872 |
| 3 | Adjustment of opening cash and cash equivalents | 864 |
| 4 | Adjustment of Board expenses | 464,450 |
| 5 | Recognition of biological assets | -814,500 |
| 6 | Removal of mentored institutions affairs for the books | 147,620,558 |
| 7 | Correction of under recognised construction payment voucher | -425,716 |
| | Total | 155,989,391 |

20. Appendices

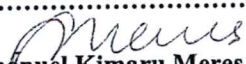
Appendix 1: Implementation Status of Auditor-General Recommendations

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: |
|--|--|---|-----------------------------------|------------|
| 1 | Presentation accuracy and disclosure of financial statements | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 2 | Inaccuracies in the statement of cash flows | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 3 | Unsupported expenditure | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 4 | Unsupported amendments to the financial statements | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 5 | Unconfirmed inventories | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 6 | Cash and Cash equivalents | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 7 | Lack of Board of survey report | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 8 | Inaccuracies in PPE | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 9 | Unsupported Intangible assets | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 10 | Poor budget Performance | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 11 | Unresolved prior year issues | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: |
|--|--|---|--------------------------------------|------------|
| 12 | Over expenditure in employee cost | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 13 | Proposed Construction of Kacheliba TTI | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 14 | Non-compliance with regulation on imprests | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 15 | Employee Cost | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 16 | Overdrawn bank accounts | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 17 | Preparation of Payroll without Job groups | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 18 | Lack of IT policy and IT strategic Committee | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 19 | Lack of land value on PPE | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 20 | Unsupported long outstanding payables | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 21 | Un-accounted for fuel expenses | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 22 | Un-supported board expenses | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |
| 23 | Un-accounted motor vehicle repairs | Awaiting appearance in parliament Public Investment Committee | Not Resolved | N/A |

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Emmanuel Kimaru Meres
 Accounting Officer
 Principality/ BOG secretary

Appendix II: Projects Implemented by Ziwa TTI

Projects

Projects implemented by the State Ziwa TTI 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 | Kacheliba TVC | MOE/ Kacheliba CDF | 1 Year | CDF- 10,000,000 MOE-43,992,480 | No. | Yes |
| 2 | Administration and ICT Centre | Ziwa TTI | 1 Year | | No. | Yes |

Status of Projects completion

| | Project | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|---|----------------------------------|-----------------------|---------------------------|-------------------------|--------|--------|--------------------|
| 1 | Kacheliba TVC | 53,992,480 | 51,375,270 | 100% | | | MOE/ Kacheliba CDF |
| 2 | Administration and ICT Centre | 34,441,375 | 15,762,527 | 50% | | | COLLEGE SAVINGS |

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: Ministry of Education, State Department for Technical and Vocational Education and Training.

Name of beneficiary entity; Ziwa Technical Training Institute.

Confirmation of amounts received by Ziwa Technical Training Institute as at 30th June 2025


| Reference Number | Date Disbursed | Recurrent (A) | Development (B) | Total (C)=(A+B) | Remarks |
|------------------|---------------------------------|----------------------|-------------------|---------------------|---------|
| BULK24264B9FPX | 20 th September 2024 | 2,875,114.20 | | 2,875,114.20 | |
| BULK24264Z2QGC | 20 th September 2024 | 4,857,189.70 | | 4,857,189.70 | |
| BULK24264646P3 | 20 th September 2024 | 275,302.40 | | 275,302.40 | |
| BULK24264Y687J | 23 rd September 2024 | 26,703.10 | | 26,703.10 | |
| BULK2426767R5X | 24 th September 2024 | 2,901,989.80 | | 2,901,989.80 | |
| BULK24267HBW32 | 24 th September 2024 | 2,489,425.00 | | 2,489,425.00 | |
| BULK25050WYYD5 | 19 TH February 2025 | 16,834,425.00 | | 16,834,425 | |
| FT25128Q | 8TH MAY 2025 | | 10,000,000 | 10,000,000 | |
| | 4 TH June 2025 | 499,827.50 | | 499,827.50 | |
| | 17 th June 2025 | 499,827.50 | | 499,827.50 | |
| Total | | 31,259,804.20 | 10,000,000 | 41,259,804.2 | |

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 AUGUSTINE KIPKORER Sign  Date 21/10/2025

Appendix IV: Reporting of Climate Relevant Expenditures

| Project Name | Project Description | Project Objectives | Project Activities | | | | | Source Of Funds | Implementing Partners |
|-----------------------|---|---|---|----|----|----|----|--------------------------|-----------------------|
| | | | | Q1 | Q2 | Q3 | Q4 | | |
| Ziwa TTI tree nursery | Planting of trees for distribution to the college staff and surrounding schools | To make Ziwa TTI and its surrounding 30% green. | Planting of trees seedlings Planting of the trees in the college. Distribution of the trees to the neighbouring schools | | | | | From the college savings | |

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 |
| | | | | | | |
| | | | | | | |