

REPUBLIC OF KENYA



**REPORT**

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

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**ON**

**TAITA TAVETA  
NATIONAL POLYTECHNIC**

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



Revised 30th June 2025



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**TAITA TAVETA NATIONAL POLYTECHNIC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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



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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
TTNP	Taita Taveta National Polytechnic
KICD	Kenya Institute of Curriculum Development
TVET	Technical and Vocational Education and Training
TVETA	Technical and Vocational Education and Training Authority
CDACC	Curriculum Development, Assessment and Certification Council
ABE	Association of Business Executives
KASNEB	Kenya Accountants and Secretaries National Examinations Board
MDGs	Millennium Development Goals
BETA	Bottom-up Economic Transformation Agenda
ISO	International Organization for Standardization
ICT	Information and Communication Technology
QMS	Quality Management System
PAYE	Pay as You Earn
HELB	Higher Education Loans Board
SHIF	Social Health Insurance Fund
NSSF	National Social Security Fund
ODEL	Open Distance Education Learning
KATTI	Kenya Association of Technical Training Institution

**B. Definition of Key Terms**

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

**Comparative Year**- Means the prior period.

## **2. Key Polytechnic Information and Management**

### **(a) Background information**

Taita Taveta National Polytechnic Formerly Coast Polytechnic of Technology- Voi Campus was incorporated/established under the TVET Act on 1981 by the government to provide business and technical skills. The Polytechnic is domiciled in Kenya in Taita Taveta County, Voi town, just about 150km north of Mombasa and 350 km from the Nairobi City the Polytechnic is under the Ministry of Education. TTNP is built on a 42 acres piece of land registered by the TVETA as per the TVET Act 2013. The Polytechnic implements TVET-CDACC, KICD, KASNEB, ABE and City & Guilds curriculum in all its fields as developed and examined by TVET-CDACC, KNEC, KASNEB, ABE and City & Guilds respectively. TTNP is staffed by the Ministry of Education through the State Department of Vocational and Technical Training, Directorate of TVET.

The expansion and reforms witnessed in technical and vocational training has been necessitated by Kenya's objective of industrialization as contained in the Vision 2030, the MDGs and the BETA agenda of the Government of Kenya as outlined in the constitution of Kenya 2010. For these to be realized, it is imperative to develop and effectively utilize the country's human, physical and financial resources. The Kenya Vision 2030 blue print recognizes human resource development as key to rapid development. Highly trained and flexible human resource that has the relevant knowledge and skills requires sustained and continuous Training and training of content developed and implemented in close consultation with industry.

TTNP has three campuses. The town campus is situated in the Central Business District (CBD) of Voi Town. The main campus is situated in the rich tourism region of Tsavo and its proximity to the various hotels, Camps and The Tsavo National Park that makes TTNP an ideal campus for the type of training it offers. The Main campus offers both residential and off Campus training. The Kasighau campus which position itself for Gemology courses given that it is at the heart of the mining area. The Polytechnic has well equipped training restaurants, a tourist class hotel which is still under construction. This facility is intended to serve both as a training facility and as an incubation facility serving other clients in search of quality and affordable hospitality services. The Polytechnic has also established a food processing factory- Bakery that produces food products to the local community at the same time offering the much-needed hands on experience to the hospitality and Institutional management trainees.

TTNP is managed by a Council whose members are appointed by the Government to represent the community, industrialists, professionals and various governmental departments. The principal serves as the Secretary to the Council

### **(b) Principal Activities**

The principal activity of the Polytechnic is to provide technical, vocational, entrepreneurship training and research.

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**Vision:**

To be a Centre of Excellence in Technical Training, Education, Science and Technology in Kenya and beyond.

**Mission:**

To provide relevant high-quality education and training in science and Technology for sustainable development.

**Core Values**

- i. Uprightness and honesty
- ii. Transparency and accountability
- iii. Integrity
- iv. Respect for change
- v. Prudent environmental management
- vi. Professionalism
- vii. Respect for cultural diversity
- viii. Provision of equal opportunities for all
- ix. Respect for human dignity

**Motto**

Skills for Self-reliance

**Quality policy**

As an ISO certified institution, Taita Taveta National Polytechnic is committed to providing affordable, accessible, and sustainable and quality training by ensuring our services are effective and efficient and meet the customer needs and expectations. The Polytechnic is committed to complying with requirements of ISO 9001:2015 Quality Management Systems. To achieve this, the Polytechnic has established Quality Objectives which shall be reviewed from time to time for continuous improvement.

**The key Quality Objectives are to:**

- Achieve and maintain a level of quality training which enhance the institutions' reputation with customers.
- Ensure compliance with the TVET Act 2013 and other relevant statutory and safety requirements.
- Endeavour to always maximize customer satisfaction.

**The Mandate of TTNP is to:**

- i. Produce morally upright, relevant, high quality and competitive graduates to the job market.
- ii. Enhance the Training and working environment.
- iii. Optimize utilization of human and physical resources in the Polytechnic.
- iv. Increase capacity for training, research and consultancy services in line with changing technology.
- v. Improve exploitation of locally available resources for innovation.
- vi. Improve and maintain linkages and collaboration with industries.
- vii. Enhance the utilization of ICT in training and management of the institution.
- viii. Increase access taking into account gender balance and regional disparities.

**(c) Key Management**

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

- Governing Council
- Accounting officer
- Deputy Principal Administration
- Deputy Principal Academics
- Registrar
- Finance Officer
- Dean of students

**(d) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Principal.	Show Fondo Kalama
2.	Deputy Principal Administration, Finance and Planning.	Fred Nyambeche
3.	Deputy Principal Academics.	Laura Abedi
4.	Registrar.	Audrey Osore
5.	Dean of students.	Dickens Odum
6.	Head of Finance.	Nashon Mchemi
7.	Head of Procurement.	Asenath Bwana

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

**(e) Fiduciary Oversight Arrangements**

- **Audit and Risk Management Committee**

Roles.

Review Annual reports and financial statements.

Review the Quarterly Internal Audit reports, Internal Audit policies and Risk management policies.

- **Administration, Finance and Human Resources Committee**

Roles.

Review draft Annual budgets and report to the full Board.

Review Annual reports and quarterly financial statements.

- **Academic, Research, Innovation and Student Affairs Committee**

Roles.

Formulate, review and recommend academic policies for implementation.

- **Planning, Estates and Infrastructure Committee**

Roles.

Recommend infrastructural developments to be undertaken annually.

Review infrastructural implementation policies.

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

**(f) TTNP Headquarters**

Taita Taveta National Polytechnic  
P.O. Box 34-80300  
Sofia, Tsavo Road  
Voi, Kenya

**(g) TTNP Contacts**

Telephone: 0202169229/ 041 2011393  
E-mail: [voicampuscit@yahoo.com](mailto:voicampuscit@yahoo.com)  
Website: [www.cit.ac.ke](http://www.cit.ac.ke)

**(h) TTNP Bankers**

1. Kenya Commercial Bank  
Voi Branch  
P.O. Box 137-80300  
Voi, Kenya.

3. Equity Bank  
Voi branch  
P.O. Box 325-80300  
Voi, Kenya

2. Co-operative bank  
Voi Branch  
P.O. Box 770-80300  
Voi, Kenya.

4. Diamond Trust bank  
Voi Branch  
P.O. Box 055-80300  
Voi, Kenya

**(i) Independent Auditors**





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

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

**(j) Principal Legal Adviser**




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

**3.The Council/Board of Governors**




1.	<p>Danson Woresha Mghenyi</p> 	<p>Name: Danson Woresha Mghenyi          DOB: 16/10/1951          Position: Chairman of the Board          Qualifications: Bachelor of Science in Hospitality Management.          Work Experience: Until His Appointment as the Board Chair, He worked as an Office Manager at Voi Constituency, Hotel General Manager at Utalii, and has served many senior positions in Hotel Industry Locally and Internationally.</p>
2.	<p>Eugine Mdamu Maghanga.</p> 	<p>Name: Eugene Mdamu Maghanga          DOB: 30/04/1980          Position: Board Member.          Qualifications: B.sc-Mechanical Engineering, Master of Engineering in Nuclear power plant engineering.          Work experience: He is a Senior Engineer, Geothermal training centre at KENGEN Olkaria, He has also worked in the Kenya Defence Forces as a specialist technical officer and rose to the rank of a Captain. He is a registered with the Engineering board of Kenya, Polytechnic of Engineers of Kenya and a member of Geothermal Association of Kenya.</p>
3.	<p>Pamela Munala Ndengu, HSC</p> 	<p>Name: Pamela Munala Ndengu          DOB: 21/01/1964          Position: Board Member.          Qualifications: B.A-Social Work, MA-Sociology, PhD (Ongoing).          Work experience: She is currently the Deputy, compliance and quality Assurance, previously worked as Deputy director, board management services and has headed several Senior Position in Public Service Commission, Office of the President, Nairobi City Council, Ministry of Local Government and Office of the Attorney General.</p>
4.	<p>Mr. Julius Mosoti.</p> 	<p>Name: Mr. Julius Mosoti          DOB: 19/06/1963          Position: Board Member.          Qualifications: CPA (K), BA (Finance &amp; Accounting Option), MBA.          Work experience: He is a Lead consultant at Julmeric Management Consultancy Limited. Has vast experience in Audit and is also a member of IIA (Polytechnic of Internal Auditors-Kenya).</p>

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5.	<p>Elizabeth Katio Ndongye.</p> 	<p>Name: Elizabeth Katio Ndongye.          DOB: 23/01/1983          Position: Board Member          Qualification: Diploma IMIS (Kenya School of Monetary Studies), International Advanced Diploma in Computer Studies (IADCS) (Computer Pride Training Centre), B.Sc. Business Information System (Middlesex University), M.Sc. Public Health-Health Information Management (ongoing) (KU).          Work experience: She is currently doing business, but she has previously worked as an ICT Supervisor at Kenya National Bureau of Statistics (KNBS) during the census period, as well as Data Officer at the Population Services Kenya (PSK) and Family Health International as a Data Assistant.</p>
6.	<p>Simon Omondi Oloo</p> 	<p>Name: Simon Omondi Oloo          DOB: 22/08/1972          Position: Board Member.          Qualifications: HND-system analysis, BA (Political science and Sociology), MA (Resource mobilisation and Project Management) and PhD (Education Governance).          Work experience: Assistant director of research-ICF, Chapter Leader- Kenya Red Cross, Administrator-Umbrella Widows and Orphans and Director Technology and innovation- Dell Masters.</p>
7.	<p>Peter Kiama Maina</p> 	<p>Name: Peter Kiama Maina          DOB: 1960          Position: Board Member.          Qualifications: Higher National Diploma, mechanical Engineering- Plant option, Executive Master of Business Administration.          Work Experience: Currently managing his Business in Nairobi.</p>


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8.	<p>Pamphil Mwakio Mwashinga</p> 	<p>Name: Pamphil Mwakio Mwashinga          DOB: 07/09/1970          Position: Board Member          Qualifications: Bachelors of Arts          Work experience: He is a Representative of the County Government of Taita Taveta and the Chief of Staff. Has vast experience in Teaching and Management. He was the Principal Sagalla International Talent Academy (SITA)</p>
9.	<p>Ms. Mary Koigi</p> 	<p>Name: Mary Koigi          DOB: 01/07/1977          Position: PS Alternate MOE State Dept TVET.          Qualifications: Masters in Community Nutrition, University of Eldoret, Kenya – (ongoing), Degree in Home Science &amp; Technology, University of Eldoret, Kenya          Diploma in Technical Education, Kenya Technical Teachers Polytechnic, Kenya.          Work experience: She is currently The Kenya Coordinator TVET-Industry Linkages &amp; Collaborations, State Department For TVET, she has previously worked as a Trainer, at Kisii National Polytechnic, Kisii where she served in several cadres e.g. ISO, Performance Contracting, Office of Carrier (OCS), Acted as Deputy Principal from September 2021 to July 2022.</p>
10.	<p>Louise Mungai</p> 	<p>Name: Louise Mungai          DOB: 17/05/1983          Position: PS Alternate National Treasury.          Qualifications: BCOM (Finance Option)          Work experience: She works at the National Treasury Government Investment Management Information System Department.</p>






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11.	Mr. Show Fondo Kalama 	Name: Show Fondo Kalama DOB: 30/08/1978 Position: Principal/CEO Qualifications: MBA (Strategic Management), B.Ed. Work experience: Served previously as the Deputy Principal in charge of Administration at Kenya Coast National Polytechnic- Mombasa, The Principal at The North Eastern National Polytechnic, Garissa.
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**4. Key Management Team**

1	<p>Mr. Show Fondo Kalama</p> 	<p>Name: Show Fondo Kalama                  Position: Principal/CEO                  Qualifications: MBA (Strategic Management), B.Ed.                  Work experience: Served previously as the Deputy Principal in charge of Administration at Kenya Coast National Polytechnic- Mombasa, The Principal at The North Eastern National Polytechnic, Garissa</p>
2	<p>Mr. Fred Nyambeche</p> 	<p>Name: Fred Nyambeche                  Position: Deputy Principal Administration, Finance and Planning                  Qualifications: Master's Degree                  Work experience: Served previously in the capacity of Director Town Campus at TTNP.</p>
3	<p>Md. Laura Machi Abedi</p> 	<p>Name: Md. Laura Machi Abedi                  Position: Deputy Principal Academics                  Qualifications: Master's Degree                  Work experience: Served previously as the Deputy Dean of students, Deputy Coordinator Performance Contract (PC) and Head of Department Hospitality and Tourism Department at Taita Taveta National Polytechnic.</p>
4	<p>Md. Audrey Osore</p> 	<p>Name: Audrey Osore                  Position: Registrar.                  Qualifications: Master's degree                  Work experience: Served previously as the Deputy registrar at Taita Taveta National Polytechnic.</p>
5	<p>Mr. Dickens Odum</p> 	<p>Name: Dickens Odum                  Position: Dean of Students.                  Qualifications: Master's Degree.                  Work experience: Served previously as the HOD Tourism Department, TTNP.</p>

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6	<p>Mr. Nashon Mchemi, CPA</p> 	<p>Name: Mr. Nashon Mchemi, CPA Position: Finance officer. Head of Finance Department. Qualifications: B Com (Finance option), CPA (K), Accountancy Diploma. Work experience: Served for Ten years as the TTNP Finance Officer.</p>
7	<p>Md. Asenath Bwana</p> 	<p>Name: Asenath Bwana Position: Procurement Officer. Head of Procurement and stores Department. Qualifications: M.Sc. Procurement, B.Sc. Procurement Work experience: She has over several years' experience in Procurement, having worked at the Kisii Teaching &amp; Referral Hospital and the Polytechnic of Human Resource Management (IHRM).</p>

**5. Chairman’s Statement**

On behalf of the Polytechnic Governing Council, I am pleased to present to you the Taita Taveta National Polytechnic Annual Reports and financial statements for the year ended 30th June 2025. During the period, the Polytechnic continued to deliver on our core mandate of provision of quality technical educational and training (TVET), research and community outreach, that is market driven and well aligned with the big four agenda.

The Government of Kenya has embarked on a comprehensive reform on technical and vocational training in order to develop highly skilled manpower to provide the technical skills needed by the industry. The national plans and other strategic priorities have consistently placed emphasis on development of skills that match the industry requirements. Taita Taveta National Polytechnic reviewed the strategic plan (2023 -2027) on the basis of the vision 2030 and the BETA agenda of the government of the day as outlined in the constitution of Kenya 2010. I recognize with much appreciation the critical role that TVET's play in building the foundation which will move this country to a fully industrialized economy.

During the F/Y year 2024/2025, the Polytechnic projected to focus on increasing student enrollment, improvement of infrastructure and human resource to support teaching, learning and research. In that spirit the Polytechnic new ways of enrolment and marketing strategies which included partnering with Area members of parliament of our four constituency i.e. Voi, Mwatate, Taita (Wundanyi) and Taveta this has gone a long way to increase students’ population and thereby increasing revenue.

Finally, I wish to acknowledge with gratitude the Government of Kenya, through the Ministry of Education for its goodwill and immense support to the Polytechnic as it strives to implement its strategic goals and objectives. I also wish to appreciate the vital support that we have continued to receive from our development partners, students, customers, staff and sponsors. The Council shall continue to provide the much-needed resources, advice and foresight to support the Polytechnic and ensure it grows to the next level.

.....  
**Mr. Danson Woresha Mghenyi**  
**Chair of the Council/Board**

**DATE**.....

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

### **Dear Stakeholder,**

Taita Taveta National Polytechnic has positioned itself as a leading technical training institution in the region. In line with the Polytechnic growth aspirations, the strategic plan (2023-2027) was reviewed in the year 2025 based on the vision 2030 and the BETA agenda of the Government of Kenya as outlined in the constitution of Kenya 2010. Our commitment is to improve service delivery, efficiency and leadership.

The Polytechnic's core values of uprightness, honesty, transparency, accountability, integrity, and respect for change, prudent environmental management, professionalism, respect for cultural diversity, provision of equal opportunities for all and respect for humanity have played a great role in realizing the Polytechnic's dream of impacting skills for self-reliance.

### **Key project**

The institution is currently not undertaking any major project but is planning on continuing with the Phase III placing and paving of roads and Major Construction of the Proposed Modern Administration block this depend on funding from external partners majorly; The Government of Kenya, County Government, CDF and other Donors

### **Operational and Financial Performance**

The Polytechnic is committed to deliver on its key mandate of provision of quality education, training, and research. The financial year 2024/2025 recorded a Deficit of **Kshs 39,133,700** compared to the financial year 2023/2024 which recorded a surplus of **Kshs 10,464,434**.

### **Compliance with Statutory Requirements**

During the Financial Year under review, the Polytechnic complied with most of its statutory obligations including compliance with Public Procurement and Regulatory Authority (PPRA) requirements; and remittance of PAYE, SHIF, NSSF, Affordable housing levy, NITA and HELB recovery within the stipulated deadlines.

### **Major risks and challenges facing the Polytechnic**

Taita Taveta National Polytechnic continues to face pressure on existing resources due to inadequate learning infrastructure. The teaching and non-teaching staff to student ratio remains low. Budgetary constraints have contributed to stalled projects including the Phase II of the Centre of Excellence Complex comprising of 2 restaurants and 4 conference facilities, which is in dire need of funding to realize the aspired benefits. Inadequate funds arising from reduced/failure by the government to remit the capitation and scholarship funds contributed greatly in failure to achieve some of the budgetary plans for the year.

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**Future outlook**

We look forward to harnessing the ISO 9001:2015 certification and strategic plan (2023-2027) to guide the Polytechnic's future developments, improve service delivery and achieve set goals and objectives. We also anticipate an increase in student enrollment in the future, attain adequate staffing levels, teaching and non-teaching and improve learning infrastructure. Our ultimate objective of acquiring National polytechnic status was met. TTNP as a result of the Jitume Lab through the help of the Council has managed to roll out an e-learning (ODEL) platform to benefit residential and ODEL students. This has also been facilitated by training of teaching staff and technicians on the needs of the online platforms.

**Conclusion**

I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

I commend the Council, Management and staff for their tireless efforts and commitment to the attainment of the Polytechnic goals. I am truly honored to serve alongside you as we endeavor to redefine the role played by TTNP and TVETs and drive the Polytechnic towards realizing its vision, strategic goals and objectives.

On behalf of Council, Management, Staff and Students, I would like to appreciate the support accorded to Taita Taveta National Polytechnic by the Government of Kenya through The National Treasury & the Ministry of Education, State Department for Vocational and Technical Training. We look forward to your continued support and commitment.



.....  
**Mr. Show Fondo Kalama**  
**Principal/Council Secretary**

Date... 1/12/2025 .....

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

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

Taita Taveta National Polytechnic develops its annual work plans based on 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Polytechnic achieved its performance targets set for the FY 2024/2025 period for its 4 strategic pillars, as indicated in the table below:

<b>Strategic Pillar</b>		<b>Objective</b>	<b>Key Performance Indicators.</b>	<b>Activities</b>	<b>Achievements</b>
Pillar 1:	Human Resource Development	To improve human resource capacity	Number of additional Council staff engaged.	Employ more Council staff	Additional Council staff employed.
Pillar 2:	ICT	To fully integrate ICT in the Polytechnic.	Number of ICT Equipment purchased and installed.	Purchase additional ICT equipment for the Polytechnic. Train staff on needs of ICT.	ICT equipment purchased. More staff and technicians trained under the ODEL/Learning Management System project.
Pillar 3:	Gender and youth development	To develop responsible youth to contribute to national development.	Number of Drug and substance Abuse and HIV/AIDS sensitization forums conducted.	Conduct Free medical camps, talks on Drug abuse Put free condoms at every strategic point in the institution	Information on drugs and substance abuse and HIV/AIDS provided by the Guidance and Counselling office.
Pillar 4:	Education and training	New and modern methods of Training enhanced	Introduce modern ICT learning and training methods.	New modern methods of Training enhanced.	Modern Training techniques in place such as online classes.

## **8. Corporate Governance Statement**

Taita Taveta National Polytechnic is committed to the values and principles of good corporate governance as an integral part of corporate culture and guides the manner in which its Council, management, staff and students conduct the business of the organization. As a public organization dedicated to providing quality service to its stake holders, the Polytechnic decisions are guided by the core tenets prescribed in the Public Officers Ethics Act, The leadership and Integrity Act, The Authorities Code of Conduct, Corporate Governance Guidelines and Council Committee Charters. The Polytechnic endeavors to develop, strengthen and sustain the trust that the Government, employees, students and general public have placed in it. The Council is committed to regular evaluation of national and international emerging standards in a responsible, transparent and efficient management, with a view of enhancing corporate governance at the Institution and consistently deliver on its statutory mandate.

### **Role of the Board of Governors**

The primary function of the Council is to provide effective strategic leadership and direction to enhance the long-term achievement of the Polytechnic strategic plan. The strategic plan overall objective is to enhance the achievement of the Polytechnic objectives on priority basis and in line with the policies of the Ministry of Education (MOE), the Vision 2030 and the BETA agenda of the government.

### **The Board Size, Composition and Independence**

The Council is made up of 10 members. Its composition draws a perfect mix of Qualifications, skills, experience, training and proficiencies in various fields.

### **Council Remunerations**

The non-executive Council members earn sitting allowances for every meeting attended. Council fees are paid to non-executive Council members who do not represent any Government institution.

The Board had four committees constituted as follows:

<b>Name of the Committee</b>	<b>Members</b>
1. Audit and Risk Management committee.	1. Pamela Munala Ndengu- Chairman 2. Simon Omondi -member 3. Eugene Maghanga-member 4. Peter Kiama- member

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2. Administration, Finance and Human Resources Management committee.	<ul style="list-style-type: none"> <li>1. Julius Mosoti – Chairman</li> <li>2. Pamphil Mwashinga –member</li> <li>3. Elizabeth Katio Ndongye -member</li> <li>4. Mary Koigi- member/PS rep</li> <li>5. Louise Mungai- member/PS Rep</li> </ul> <p>National Treasury</p>
3. Academic, Research, Innovation and Student Affairs Committee	<ul style="list-style-type: none"> <li>1. Simon Omondi Oloo- Chairman</li> <li>2. Pamphil Mwakio -member</li> <li>3. Julius Mosoti-member.</li> <li>4. Mary Koigi- member/PS rep</li> </ul>
4. Planning, Estates and Infrastructure Committee.	<ul style="list-style-type: none"> <li>1. Peter Kiama- Chairman</li> <li>2. Eugene Maghanga- member</li> <li>3. Elizabeth Katio Ndongye- member</li> <li>4. Pamela Munala Ndengu- member</li> </ul>

Council members are appointed by the Ministry of Education and serve a maximum of two terms of three years each. Council remuneration is in the form of sitting allowances for physical and virtual meetings attended. Subsistence/Perdiem and transport allowances are paid depending on their geographical locations.

## **9. Management Discussion and Analysis**

Taita Taveta National Polytechnic continues to be the leading Polytechnic in the region. In line with the Polytechnic growth aspirations, the strategic plan (2023-2027) was reviewed in 2025. The strategic plan was reviewed on the basis of the vision 2030, the BETA Agenda and other strategic priorities of the government as outlined in the constitution of Kenya 2010.

The Polytechnic's core values have played a great role in realizing the Polytechnic's dream of impacting skills for self-reliance. The Polytechnic has since embarked on infrastructural development in order to increase access to quality technical education.

During the Financial Year, the Polytechnic complied with its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, SHIF, Affordable housing levy, NITA, NSSF, and HELB within the stipulated deadlines.

Taita Taveta National Polytechnic continues to face pressure on existing resources due to inadequate learning infrastructure. Budgetary constraints have contributed to stalled projects. Phase III of the Centre of Excellence Complex comprising of 2 restaurants and 4 conference facilities are in dire need of funding to realize the aspired benefits. Inadequate funding from the Ministry of Education also led to some of the projects being unachievable.

The teachers and non-teaching staff to student ratio remains low. The Polytechnic also runs a bakery and a driving school to help raise additional income for the Polytechnic.

We are looking forward to harnessing the ISO 9001:2015 certification and strategic plan (2023 - 2027) to guide the Polytechnic's future developments, improve service delivery and achieve set goals and objectives. We also anticipate an increase in student enrolment, attain adequate staffing levels and improve learning infrastructure. Our ultimate objective is to acquire Polytechnic status. TTNP as a result of the Jitume Lab through the help of the Government of Kenya and The Council has rolled out an e-learning platform to benefit both residential and ODEL students.

I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

## **10. Environmental And Sustainability Reporting Statement**

Taita Taveta National Polytechnic exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first, delivering relevant technical and practical training, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

### **Sustainability strategy and profile**

The management of Taita Taveta National Polytechnic through its Council is committed towards achieving sustainability in its operations. They have put in measures to ensure minimal interference and maximum focus towards achieving its strategic goals. The management has put in great strides to gain political goodwill that is vital for the existence, growth and expansion of the institution. There have been engagements with local leaders on issues affecting the Polytechnic.

### **Environmental performance**

Taita Taveta National Polytechnic continues to take an interest in environmental conservation and management. It boasts a strong department managing environmental conservation, engaging in activities such as tree planting activities at least once every term, an activity that brings on board both the management and the students.

The students also participate in tree planting and waste collection and management activities within the surrounding environments including Voi town area especially during the Polytechnic community days in an attempt to speed up environmental conservation and keep the environment safe.

The Polytechnic is also in the process of developing an extensive Environmental management QMS manual that will serve to guide its operations and seek to fill the gaps in management of the environment.

### **Employee welfare**

Human Resource development remains a major strategic pillar of Taita Taveta National Polytechnic. The Polytechnic has a strong Human Resource department that works closely with the administration and board of governors to ensure quality staff additions to the institution. Staff are hired on merit through a thorough recruitment process starting from the advertisements to shortlisting to interviews.

The Polytechnic staff gender ratio is balanced with people with disabilities and women given priority during the recruitment process. Staff are continually appraised as this helps to improve their efficiency with promotions done when necessary. Outstanding members of staff are awarded during the Polytechnic open days for their performances.

Members of staff operating in essential areas such as food processing and food handling undergo medical examinations and certification annually, funded by the organisation in an attempt to comply with the health and safety Act. The Polytechnic also undergoes Health and safety checks

done by the County Government department of health services to ensure its environments are fit for stay.

**Market place practices.**

**a) Responsible competition practice.**

The Polytechnic ensures adherence to principles of fair competition as outlined in the constitution. It also creates awareness and has made tremendous efforts in the fight against corruption through sensitization forums and corruption reporting boxes installed at strategic places. The Polytechnic conducts its activities and engagements in respect to the community values but does not bend to any political influence as it seeks to provide equal opportunities to all. There is an open and transparent registration and recruitment process.

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

The Polytechnic has committed to maintain good working relationships with its creditors by ensuring equal and fair treatment when it comes to award of tenders. It also operates in line with the public procurement laws. Creditors are paid on time and also when funds are available. The creditors are however required to provide high quality goods and services.

**c) Responsible marketing and advertisement.**

The Polytechnic has continued to conduct extensive marketing of its services through legal and reputable print, audio and visual media sources. There has also been road shows and door to door distribution of brochures as it strives to have a personal touch with the outside community and clients. Prompt feedback and good customer relationships also enables the Polytechnic to maintain a good relationship with its customers

**d) Product stewardship.**

The Polytechnic offers high quality accredited academic programs and has highly qualified trained personnel. Students are given an equal opportunity to participate in sports, games and other extra-curricular activities. The Polytechnic has a dispensary and a trained nurse in an attempt to ensure access to emergency healthcare. Staff are given an equal opportunity in their career advancements by attending seminars, workshops and trainings.

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

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**Corporate Social Responsibility / Community Engagements**

In line with its mission and values, Taita Taveta National Polytechnic is sensitive to the impact of our activities on our students, employees, partners and other stakeholders, as well as on the community and its environment.

The Polytechnic is committed to maintaining standards, respect and accountability across all its activities, including: treating employees fairly and with respect, support staff development through allowing staff to attend trainings and workshops, volunteering in community, county, and national government activities

The student council has a budget allocated towards a community day where students visit children's homes within Voi and the Coast region. The students also engage in cleaning exercises and tree planting within and around Voi town during environmental days in coordination with partners such as the Kenya Wildlife Service, Lumo Conservancy, Saghalla Forest and the Red Cross.

Most of the students reside within Sofia and around Voi town. This has boosted local investments especially through construction of more hostels, rental houses and food joints.

The Polytechnic purposes to continue collaborating with all stakeholders on issues that benefit the development of the country, growth of industries as well as giving back to the society. TTNP therefore shall continue to play its crucial role towards attainment of vision 2030 and the BETA Agenda as spelt out clearly in the Government priorities areas under the social, political and economic (PESTEL) pillars.

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

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

**Principal activities**

The principal activity of the TTNP is to provide relevant and high-quality technical education, training and research.

**Results**

The results of the TTNP for the year ended June 30 2025 are set out on page xv.

**Council/Board of Governors**

The members of the Council who served during the year are shown on page ix and x. During the year 2025.

**Auditors**

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

By Order of the Council

.....  


**Mr Show Fondo Kalama**  
**Principal/Council Secretary**

**Date**...*1/12/2025*.....

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

Section 81 of the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act of 2013 require the board to prepare financial statements in respect of Taita Taveta National Polytechnic, which give a true and fair view of the state of affairs of Taita Taveta National Polytechnic at the end of the financial year and the operating results of the TTNP for that year. The board is also required to ensure that the Polytechnic keeps proper accounting records which disclose with reasonable accuracy the financial position of the Taita Taveta National Polytechnic. The board is also responsible for safeguarding the assets of the Polytechnic.

The board is responsible for the preparation and presentation of the Polytechnic's financial statements, which give a true and fair view of the state of affairs of Taita Taveta National Polytechnic for and as at the end of the financial year ended on June 30, 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 TTNP; (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 Taita Taveta National Polytechnic; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

Nothing has come to the attention of the board to indicate that the Polytechnic 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 TTNP financial statements were approved by the Council on 11-07- 2025 and signed on its behalf by:

.....  
**Mr. Danson Woresha Mghenyi**  
**Chairperson of the Board/Council**

.....  
**Mr. Show Fondo Kalama**  
**Accounting Officer/Principal**

# REPUBLIC OF KENYA

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

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Taita Taveta National Polytechnic set out on pages 1 to 46, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

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

### **Basis for Qualified Opinion**

#### **Long Outstanding Receivables from Exchange Transactions**

The statement of financial position and Note 17(a) to the financial statements reflect receivables from exchange transactions balance of Kshs.288,633,074, comprising of student debtors of Kshs.285,153,678 and trade debtors of Kshs.3,465,896. Audit review of the aging analysis revealed that Kshs.106,266,956 (37%) and Kshs.87,080,444 (30%) were outstanding for more than two(2) and three(3) years respectively. However, Management did not provide evidence of recovery efforts in place to collect the long-outstanding balances and did not make a provision for impairments on the debtors.

In the circumstances, the accuracy and recoverability of receivables balance of Kshs.193,347,400 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amount on a comparable basis of Kshs.789,720,125 and Kshs.194,504,093 respectively, resulting in underfunding of Kshs.595,216,032 or 75% of the approved budget. Similarly, the statement reflects total expenditure of Kshs.210,458,975 against actual revenue of Kshs.194,504,093 resulting in over expenditure of Kshs.15,954,882 or 8% of the actual revenue.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

### **Prior Year Audit Matters**

In the prior year's audit report, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Polytechnic in 2024/2025 revealed that the following five (5) issues remained unresolved:

<b>No.</b>	<b>Audit Issue</b>
1	Unexplained variances in the financial statements
2	Understated board expenses
3	Unconfirmed cash and cash equivalents
4	Unsupported depreciation charge
5	Non-compliance with National Cohesion and Integration Act

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xxvii which comprise of Key Polytechnic Information and Management, the Council, 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 Council and Statement of Council's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Polytechnic'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 matter 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

#### Cleaning Services not in the Approved Procurement Plan

During the year under review, Management awarded a contract for cleaning services valued at Kshs.4,799,760. However, there was no provision for procurement of cleaning services in the approved annual procurement plan. This was contrary to Section 45(3)(a) of the Public Procurement and Asset Disposal Act, 2015, which provides that all procurement processes shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement plan.

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

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

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

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### Basis for Conclusion

#### 1. Encroachment on the Polytechnic Land

The statement of financial position and Note 19 to the financial statements reflect property, plant, and equipment balance of Kshs.613,803,842. The balance includes Kshs.126,000,000 relating to land. The Polytechnic occupies a 42-acre parcel of land part of which has been encroached by private individuals who have constructed some structures on a section of the land. The encroachment has hindered the construction of a perimeter wall along the affected boundary.

Although a ruling by the Mombasa Environment and Land Court confirmed that the entire parcel, including the encroached section, belongs to the Polytechnic, no eviction or recovery efforts had been undertaken to reclaim the affected portion of the land.

In the circumstances, the effectiveness of internal controls and measures put in place to safeguard the Polytechnic's assets could not be confirmed.

## **2. Lack of Ownership Document for Motor Vehicle**

The statement of financial position and Note 19 to the financial statements reflect property, plant, and equipment balance of Kshs.613,803,842, which includes Kshs.4,544,074 in respect of motor vehicles. Review of motor vehicle ownership documents revealed that the Polytechnic did not have logbook for one of its motor vehicles acquired in November, 2023 at a cost of Kshs.590,000.

In the circumstances, the effectiveness of internal controls and measures put in place to safeguard the Polytechnic's assets could not be confirmed.

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

## **Responsibilities of Management and the Council**

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

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

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

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

The Council is responsible for overseeing the Polytechnic's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant

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

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

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

05 December, 2025

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


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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the National Government – grants/ gifts in kind	6	57,264,686	126,073,158
<b>Total Revenue from non-exchange transactions</b>		<b>57,264,686</b>	<b>126,073,158</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Fees from students	7	112,610,438	189,085,549
Sale of goods	8	26,465,448	25,430,465
Rental revenue from facilities and equipment	9	948,810	109,643
Miscellaneous Income	10	1,140,143	3,886,681
<b>Revenue from exchange transactions</b>		<b>141,164,839</b>	<b>218,512,337</b>
<b>Total revenue</b>		<b>198,429,525</b>	<b>344,585,495</b>
<b>Expenses</b>			
Use of goods and services	11	152,824,515	148,189,478
Employee costs	12	45,402,983	141,183,267
Remuneration of directors	13	9,493,795	6,945,620
Depreciation and amortization expense	14	20,914,557	26,826,246
Repairs and maintenance	15	8,927,375	10,976,450
<b>Total expenses</b>		<b>237,563,225</b>	<b>334,121,061</b>
<b>Surplus/(Deficit) for the Year</b>		<b>(39,133,700)</b>	<b>10,464,434</b>


The Financial Statements set out on pages 1 to 48 were signed by:

  
 .....  
**Chairman of Council/Board**

Date 1/12/2025

  
 .....  
**Principal**

Date 1/12/2025

  
 .....  
**Finance Officer**

**ICPAK No. 25495**




Date 01/12/2025

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

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16(a)	26,550,409	45,438,270
Current portion of receivables from exchange transactions	17(a)	288,633,074	280,145,743
Inventories	18	3,848,766	5,447,456
<b>Total Current Assets</b>		<b>319,032,249</b>	<b>331,031,469</b>
<b>Non-current assets</b>			
Property, plant and equipment	19	613,803,842	631,204,023
Intangible assets	20	1,744,189	2,325,586
<b>Total Non-Current Assets</b>		<b>615,548,031</b>	<b>633,561,080</b>
<b>Total Assets (A)</b>		<b>934,580,280</b>	<b>964,561,080</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	21	16,402,079	7,241,879
Refundable deposits from customers	22	4,107,416	4,114,716
<b>Total Liabilities (B)</b>		<b>20,509,495</b>	<b>11,356,595</b>
<b>Net Assets (A-B)</b>		<b>914,070,785</b>	<b>953,204,485</b>
<b>Represented By:</b>			
Capital Reserves		311,637,296	311,637,296
Accumulated funds		260,431,429	299,565,129
Revaluation reserve		317,207,202	317,207,202
Capital fund		24,794,858	24,794,858
<b>Net Assets</b>		<b>914,070,785</b>	<b>953,204,485</b>

The Financial Statements set out on pages 1 to 48 were signed by:

		
.....	.....	.....
<b>Chairman of Council/Board</b>	<b>Principal</b>	<b>Finance Officer</b>
		<b>ICPAK No. 25495</b>
<b>Date</b> 11/12/2025	<b>Date</b> 11/12/2025	<b>Date</b> 11/12/2025

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

	Capital Reserves	Accumulated surplus	Revaluation Reserve	Capital fund	Total
<b>At July 1, 2023</b>	<b>311,637,296</b>	<b>289,100,695</b>	<b>317,207,202</b>	<b>24,794,858</b>	<b>942,740,051</b>
Revaluation gain					
Surplus/(deficit) for the year	-	10,464,434		-	10,464,434
Capital grants received during the year					
Transfer of depreciation/amortisation from capital fund to Retained earnings					
<b>At June 30, 2024</b>	<b>311,637,296</b>	<b>299,565,129</b>	<b>317,207,202</b>	<b>24,794,858</b>	<b>953,204,485</b>
<b>At July 1, 2024</b>	<b>311,637,296</b>	<b>299,565,129</b>	<b>317,207,202</b>	<b>24,794,858</b>	<b>953,204,485</b>
Revaluation gain					
Surplus/(deficit) for the year	-	(39,133,700)		-	(39,133,700)
Capital grants received during the year					
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-	-
<b>At June 30, 2025</b>	<b>311,637,296</b>	<b>260,431,429</b>	<b>317,207,202</b>	<b>24,794,858</b>	<b>914,070,785</b>

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

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

		<b>2024-2025</b>	<b>2023-2024</b>
	Note	<b>Kshs</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other Government entities/Govt. grants		57,264,686	126,073,158
Rendering of services- Fees from students		109,463,858	194,527,315
Sale of goods		25,700,096	25,430,465
Rental revenue from facilities and equipment		935,310	109,643
Other income		1,140,143	3,886,681
<b>Total Receipts</b>		<b>194,504,093</b>	<b>350,027,262</b>
<b>Payments</b>			
Compensation of employees		45,402,983	141,183,267
Use of goods and services		148,708,927	181,303,961
Remuneration of Directors		9,493,795	6,945,620
Repair and maintenance		6,853,270	9,832,260
<b>Total Payments</b>		<b>210,458,975</b>	<b>339,364,108</b>
<b>Net cash flows from operating activities</b>	23	<b>(15,954,882)</b>	<b>10,663,153</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(2,932,979)	(5,648,097)
Proceed from the sale of Assets			
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(18,887,861)</b>	<b>5,015,056</b>
Cash and cash equivalents at 1 JULY 2024	26(a)	<b>45,438,270</b>	<b>40,423,214</b>
<b>Cash and cash equivalents at 30 JUNE 2025</b>	26(a)	<b>26,550,409</b>	<b>45,438,270</b>

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

Description	Original budget	Adjustments	Final	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	budget			
	a	b	c=(a+b)			
	Kshs	Kshs	Kshs	Kshs	Kshs	%
<b>Revenue</b>						
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other Govt entities Govt grants	468,000,000		468,000,000	57,264,686	410,735,314	12
Rendering of services- Fees from students	273,771,125		273,771,125	109,463,858	164,307,267	40
Sale of goods	43,600,000		43,600,000	25,700,096	17,899,904	59
Rental and hire of facilities income	524,000		524,000	935,310	(411,310)	178
Other income	3,825,000		3,825,000	1,140,143	2,684,857	30
<b>Total income</b>	<b>789,720,125</b>		<b>789,720,125</b>	<b>194,504,093</b>	595,216,032	25
<b>Expenses</b>						
Compensation of employees	66,030,000	-	66,030,000	45,402,983	20,627,017	69
Use of Goods and services	273,640,125		273,640,125	148,708,927	124,931,198	54
Repair and maintenance	17,550,000		17,550,000	6,853,270	10,696,730	39
Remuneration of directors	9,500,000		9,500,000	9,493,795	6,205	100
College Projects	423,000,000		423,000,000		423,000,000	-

<b>Total expenditure</b>	<b>789,720,125</b>	<b>789,720,125</b>	<b>210,458,975</b>	579,261,150	27
<b>Capital Expenditure Payments</b>			<b>(2,932,979)</b>		
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>(18,887,861)</b>		

**Budget notes**

- (a) The Government did not send capitation and scholarship for students and Development grants were not disbursed as per the budget.
- (b) Low disbursement of HELB loans and bursary funds thus increasing fees arrears
- (c) Decrease of incomes in terms of Income generating units where farm was release to Applied sciences for practical in Sustainable Agriculture courses.
- (d) Rental and hire of facilities incomes reduced since most incomes realized were from co-curriculum i.e. regional and national sports and recreation activities and were since halted by the Government.
- (e) Other incomes reduced since few disposals were done in the financial year under review
- (f) Compensation of employees reduced as a result of reduced council trainers
- (g) Use of goods reduced since the Polytechnic spent with the availability of funds
- (h) Few repairs and maintenance were done

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(18,887,861)
1	Opening Cash and Cash Equivalent as per the statement of Cash flows	45,438,270
	<b>Closing Cash and Cash Equivalent as per the statement of Cash flows</b>	<b>26,550,409</b>

**19. Notes to the Financial Statements**

**1. General Information**

TTNP is established by and derives its authority and accountability from TVET Act. The TTNP is wholly owned by the Government of Kenya and is domiciled in Kenya. The TTNP principal activity is provision of Technical Education.

**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 TTNP accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 6. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the TTNP. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

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

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

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

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	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>The standard is relevant to TTNP thus will be implemented by 1<sup>st</sup> January 2026</p>
IPSAS 47: Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that a Polytechnic 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>The standard is relevant to TTNP thus will be implemented by 1<sup>st</sup> January 2026</p>
IPSAS 48: Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>The standard is relevant to TTNP thus will be implemented by 1<sup>st</sup> January 2026</p>
IPSAS 49: Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>The standard is relevant to TTNP thus will be implemented by 1<sup>st</sup> January 2026</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the Polytechnic's financial statements arising from the exploration for and evaluation of</li> </ol>

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	<p>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> <p>The standard is relevant to TTNP thus will be implemented by 1<sup>st</sup> January 2027</p>
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**iii. Early adoption of standards**

TTNP did not early adopt any new or amended standards in year 2025.

#### **4. Summary of Significant Accounting Policies**

##### **a) Revenue recognition**

##### **i) Revenue from non-exchange transactions**

##### **Transfers from other government entities**

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

##### **Interest income**

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

##### **Rental income**

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

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**b) Budget information**

The original budget for FY 2024/2025 was approved by the Council or Board on **31<sup>st</sup> January 2025**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the TTNP upon receiving the respective approvals to conclude the final budget. The TTNP budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 6 under section xxx of these financial statements.

**c) Taxes**

**Current income tax**

The TTNP is exempt from paying taxes.

**Sales tax/ Value Added Tax**

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

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

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

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. 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 Polytechnic 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 Polytechnic. 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 Polytechnic 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 Polytechnic 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 Polytechnic. 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 Polytechnic 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 Polytechnic, 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 Polytechnic expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Polytechnic 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 TTNP does not have any hedge relationships and therefore the new hedge

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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 Polytechnic and a financial liability or equity instrument of another Polytechnic. At initial recognition, the Polytechnic 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 Polytechnic 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 Polytechnic's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless Polytechnic 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 Polytechnic 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

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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 Polytechnic 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 Polytechnic 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 Polytechnic 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 Polytechnic 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 Polytechnic.

### **l) Provisions**

Provisions are recognized when the Polytechnic 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 Polytechnic 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 Polytechnic 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 Polytechnic 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 Polytechnic 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 Polytechnic 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 Polytechnic will incur in fulfilling the present obligations represented by the liability.

**n) Nature and purpose of reserves**

The Polytechnic creates and maintains reserves in terms of specific requirements.

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

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

**q) Foreign currency transactions**

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

**r) Borrowing costs**

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

**s) Related parties**

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

**t) Service concession arrangements**

The Polytechnic 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 Polytechnic 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 Polytechnic also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**u) Cash and cash equivalents**

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

**v) Comparative figures**

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

**w) Subsequent events**

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

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

The preparation of the Polytechnic'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 Polytechnic 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 Polytechnic. 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 Polytechnic.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

### **Provisions**

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

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

**6. Transfers from other National Government entities**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Unconditional grants</b>		
Capitation grants	41,330,100	54,831,678
Scholarship	15,934,586	
Grant In Kind	-	71,241,480
<b>Total government grants and subsidies</b>	<b>57,264,686</b>	<b>126,073,158</b>

**(a) Transfers from other Government entities (Categorized)**

<b>Name of the Entity sending the grant</b>	<b>Amount recognized to Statement of Comprehensive Income</b>	<b>Amount deferred under deferred income</b>	<b>Amount recognised in capital fund.</b>	<b>Total grant income during the year</b>	<b>2024-2025</b>
Ministry of Education	-	-	-	-	57,264,686
<b>Total</b>					<b>57,264,686</b>

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**7. Rendering of Services**

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition fees	34,089,014	97,204,543
Activity fees	11,040,000	9,693,400
Industrial attachment fees	2,346,689	3,710,550
Library fees	260	4,350
Registration fees	11,900	44,700
Boarding fees	2,164,113	5,929,185
Course uniform		1,200
Development fund	1,758,663	2,399,550
E.W.C	9,131,000	8,566,210
Field practical fees		573,320
L.T& T	9,660,000	12,618,379
Personal emolument	24,150,000	22,806,460
Practical	1,156,688	4,513,400
R.M. I	9,200,000	6,651,850
Tour	1,426	195,200
Tuition-P		90,200
Application fees	12,000	87,300
Damages	200	226,948
Graduation Fees	377,600	753,800
Student ID	371,200	74,300
Graduation	16,863	867,000
Kuccps	1,271,000	
Library fine		41,881
Data bundle-online classes		29,000
Packages	227,455	586,650
Tveta	435,200	
Student benevolent	35,950	601,772
Student council	43,935	886,020
Supplementary		1,000
Examination	4,335,383	9,924,181
Miscellaneous		3,200
Trainees welfare	773,900	
<b>Total revenue from the rendering of services</b>	<b>112,610,438</b>	<b>189,085,549</b>

**These are amounts charged to students based on an approved fee structure. The amount paid by each student depends on the nature of the course and the module**

**8. Sale of Goods**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Seminars	15,083,981	12,444,882
Bakery	4,780,882	6,530,059
Catering	702,504	1,496,616
Farm income	1,600,990	189,636
Other production units		179,200
Canteen	86,298	643,167
hairdressing sales		
IM Sales	123,420	109,335
Poultry Sales	1,783,770	766,430
Dairy Farm	12,700	20,660
Driving School Income	2,241,654	3,050,480
Meals & Accommodation fee	49,250	
<b>Total revenue from the sale of goods</b>	<b>26,465,448</b>	<b>25,430,465</b>

**These are sales from the institutes production unit**

**9. Rental revenue from facilities and equipment**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Hire of facilities and equipment	786,810	78,143
Rent Income	162,000	31,500
<b>Total</b>	<b>948,810</b>	<b>109,643</b>

**This is income from hire of facilities and rent**

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**10. Miscellaneous Income**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Disposal of assets		12,305
Tender sales		3,000
KATTI regional activity	961,361	3,865,106
Other income	172,032	1,600
Town Campus income	950	4,670
Clubs	5,800	
<b>Total other income</b>	<b>1,140,143</b>	<b>3,886,681</b>

**This is income from disposal and miscellaneous income**

**11. Use of Goods and Services**

<b>Description</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Development fund expenses		
Teaching and learning materials	12,122,995	7,325,878
Industrial attachment costs	8,033,083	2,513,070
Electricity, Water and fuel	12,776,342	15,722,309
Subscriptions	1,021,170	1,539,242
Advertising- Enrolment and marketing	3,037,138	1,756,276
Exam expenses		5,139,200
Audit fees		500,000
Catering, Conferences, and delegations	8,767,081	6,515,578
Conferences, and delegations-seminar expenses	6,214,077	7,815,469
TVET fairs and shows	777,961	1,277,581
Insurance	2,313,826	1,132,496
Grant expenditure		
Medical expenses	725,704	1,006,842
Tuition-P expenses		128,600

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Internet expenses-telecommunication	1,923,667	1,794,447
Boarding equipment and stores	2,624,759	1,152,216
Farm expenses	1,200,632	506,545
Bakery expenses	3,635,295	6,783,738
Practical expense	13,707,208	20,621,880
Student Activity expense	5,404,664	4,710,147
Production unit expenses	7,379,885	140,463
Mentee		
Town campus expenses	2,584,918	2,619,380
Graduation expenses	277,152	2,366,425
Tender expenses	57,000	127,000
Covid response expenses	609,614	1,388,872
Miscellaneous	10,000	
Driving school	1,829,306	1,282,485
Telecommunication		7,865
Student council	7,237,674	5,798,541
Examination fees	19,390,090	17,576,332
Bursary Funds		
Students IDs	216,496	158,490
KATTI Regional activity expenses	487,585	3,030,150
Student Benevolent fund expenses	168,000	433,000
KATTI Coast Regional activity exp		769,844
Hire of facilities exp	2,000	2,000
Regional TVET Fair expenses		450,000
Staff development	714,500	153,000
ISO	332,963	353,990
Club expenses	3,000	

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Capacity building	5,859,968	4,923,040
Canteen Expense	408,557	421,065
Bank transfers		799,550
Library expenses	1,115,130	1,662,120
Gender mainstreaming	164,908	64,850
Guiding & Counselling	1,046,745	1,833,753
Poultry expense	1,733,770	2,838,716
Performance Contract exp	755,568	457,761
Foods and Refreshments	44,123	26,440
Newspapers, Airtime, Postage and DSTV/ZUKU Expenses	1,168,239	1,017,727
Office of Career Services	65,945	47,700
Tagging of Assets and master plan, vehicle inspection	254,200	793,440
Staff Uniform	41,250	613,293
Security	1,863,271	3,189,672
Bank charges	64,483	
L.T&T	11,852,233	
Tuition	6,000	
College expense	793,440	
Legal case/professional	900	5,000,000
<b>Total good and services</b>	<b>152,824,515</b>	<b>148,288,478</b>

**12. Employee Costs**

	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	45,402,983	38,096,119
Employee related costs - contributions to pensions and medical aids-NSSF, SHIF and PAYE	0	17,579,907
Travel, motor car, accommodation, subsistence and other allowances-LT T		14,265,761
Salaries for PSC Trainers		71,241,480
<b>Employee costs</b>	<b>45,402,983</b>	<b>141,183,267</b>

**13. Board/Council Expenses**

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria		
Directors emoluments	9,493,795	6,945,620
Other allowances		
<b>Total director emoluments</b>	<b>9,493,795</b>	<b>6,945,620</b>

**14. Depreciation and Amortization expense**

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	20,333,160	28,176,094
Intangible assets	581,396	1,033,594
<b>Total depreciation and amortization</b>	<b>20,914,557</b>	<b>31,695,289</b>

**15. Repairs and Maintenance**

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, equipment and machinery	6,871,455	7,208,487
Electricals and mechanicals	891,864	743,080
Motor Vehicles	471,000	364,597
Environment and beautification	693,056	1,388,918
Other	-	1,271,368

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<b>Total repairs and maintenance</b>	<b>8,927,375</b>	<b>10,976,450</b>
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**16. Cash and Cash Equivalents**

	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Current Account	19,484,775	45,249,716
Others – Cash in hand and Mobile money	7,065,634	188,554
<b>Total Cash and Cash Equivalents</b>	<b>26,550,409</b>	<b>45,438,270</b>

**16 (a). Detailed Analysis of Cash and Cash equivalents**

		<b>2024-2025</b>	<b>2023-2024</b>
<b>Financial institution</b>		<b>Kshs</b>	<b>Kshs</b>
<b>a) Current account</b>			
Co-operative bank-		3,000,822	3,976,563
Diamond trust bank-		4,697,564	3,577,026
Equity Bank-		3,565,093	11,049,144
Kenya commercial bank-		3,162,588	4,805,089
Kenya commercial bank-		5,058,708	21,841,894
<b>Sub- total</b>		<b>19,484,775</b>	<b>45,249,716</b>
<b>e) Others</b>			
Cash in hand	0	5,690	-
Mobile Money account-	4030613	7,059,944	188,554
<b>Sub- total</b>		<b>7,065,634</b>	<b>188,554</b>
<b>Grand total</b>		<b>26,550,409</b>	<b>45,438,270</b>

17. Receivables from Exchange transactions

17 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Current receivables</b>		
Student debtors	276,118,247	276,118,247
Student debtors during the year	100,460,714	
Payment received during the year	(91,425,283)	
Rent debtors	13,500	-
Trade debtors	3,465,896	3,465,896
Imprest	561,600	561,600
Imprest surrendered during the year	(561,600)	
<b>Total current receivables</b>	<b>288,633,074</b>	<b>280,145,743</b>

17 (b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	11,334,265	4	12,561,600	4
Between 1- 2 years	277,298,809	96	74,236,743	26
Between 2-3 years		0	106,266,956	38
Over 3 years		0	87,080,444	31
<b>Total (a+b)</b>	<b>288,633,074</b>	<b>100</b>	<b>280,145,743</b>	<b>100</b>

18. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Catering stores	122,530	716,752
Bakery	149,200	169,150

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Farm stores	25,300	134,362
Consumable stores	1,505,041	2,110,648
Maintenance	117,100	234,910
Laboratory stores	210,055	353,025
Health unit stores	196,961	192,607
Hospitality	325,556	250,376
Building dept stores	212,975	213,793
ICT		133,000
Library		38,524
Hospitality -hair & beauty		37,999
Grounds		198,410
Seminars	143,264	
Electrical	183,180	
Mechanical	309,246	
Boarding	23,300	24,250
Farm -poultry	325,058	639,650
<b>Total inventories at the lower of cost and net realizable value</b>	<b>3,848,766</b>	<b>5,447,456</b>

**Detailed disclosure on inventories**

	2024-2025	2023-2024
<b>Opening balance</b>	<b>5,447,456</b>	
Additional Inventory in the year	19,588,500	
Inventory expensed in the year	(21,187,190)	
<b>Closing balance</b>	<b>3,848,766</b>	

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19. Property, Plant and Equipment

Cost	Land	Building	Pavements	Computers	Furniture	Plant	Motor vehicles	Textbooks	Totals
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Depreciation Rate</b>	<b>0</b>	<b>0.02</b>	<b>0.02</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.25</b>		
<b>At 1<sup>st</sup> July 2023</b>	<b>126,000,000</b>	<b>408,000,000</b>	<b>6,886,185</b>	<b>12,194,620</b>	<b>11,962,935</b>	<b>135,950,159</b>	<b>5,321,000</b>	<b>268,019</b>	<b>706,582,918</b>
Additions	-	40,558,122	-	8,803,253	2,477,176	10,795,336	7,847,132	-	70,481,019
<b>At 1<sup>st</sup> July 2023</b>	<b>126,000,000</b>	<b>448,558,122</b>	<b>6,886,185</b>	<b>20,997,873</b>	<b>14,440,111</b>	<b>146,745,495</b>	<b>13,168,132</b>	<b>268,019</b>	<b>777,063,937</b>
Additions	-	-	-	2,312,499	592,600	1,947,173	590,000	304,825	5,747,097
Disposals	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>	<b>126,000,000</b>	<b>448,558,122</b>	<b>6,886,185</b>	<b>23,310,372</b>	<b>15,032,711</b>	<b>148,692,668</b>	<b>13,758,132</b>	<b>572,844</b>	<b>782,811,034</b>
<b>Accumulated depreciation</b>									
<b>At 1<sup>st</sup> July 2023</b>	-	33,279,892	272,693	13,680,641	4,462,879	67,675,180	6,184,675	-	125,555,960
Charge for the year	-	8,305,565	132,270	2,888,919	1,056,983	12,152,623	1,514,691	-	26,051,051
On Disposal	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2024</b>	-	<b>41,585,457</b>	<b>404,963</b>	<b>16,569,560</b>	<b>5,519,862</b>	<b>79,827,803</b>	<b>7,699,367</b>	-	<b>151,607,011</b>
<b>At 1<sup>st</sup> July 2024</b>	<b>126,000,000</b>	<b>448,558,122</b>	<b>6,886,185</b>	<b>23,310,372</b>	<b>15,032,711</b>	<b>148,692,668</b>	<b>13,758,132</b>	<b>572,844</b>	<b>782,811,034</b>
Additions	-			1,991,140	119,000	801,339		21,500	2,932,979
Disposals	-								

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<b>At 30<sup>th</sup> June 2025</b>	<b>126,000,000</b>	<b>448,558,122</b>	<b>6,886,185</b>	<b>25,301,512</b>	<b>15,151,711</b>	<b>149,494,007</b>	<b>13,758,132</b>	<b>594,344</b>	<b>785,744,013</b>
<b>Accumulated depreciation</b>									
<b>At 1<sup>st</sup> July 2024</b>	-	41,585,457	404,963	16,569,560	5,519,862	79,827,803	7,699,367	-	151,607,011
Charge for the year	-	8,139,453	129,624	2,619,586	963,185	6,966,620	1,514,691	-	20,333,160
On Disposal	-	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> June 2025</b>	<b>-</b>	<b>49,724,910</b>	<b>534,587</b>	<b>19,189,146</b>	<b>6,483,047</b>	<b>86,794,423</b>	<b>9,214,058</b>	<b>-</b>	<b>171,940,171</b>
<b>Net book values</b>									
<b>At 30<sup>th</sup> June 2025</b>	<b>126,000,000</b>	<b>398,833,212</b>	<b>6,351,598</b>	<b>6,112,366</b>	<b>8,668,664</b>	<b>62,699,583</b>	<b>4,544,074</b>	<b>594,344</b>	<b>613,803,842</b>
<b>At 30<sup>th</sup> June 2024</b>	<b>126,000,000</b>	<b>406,972,665</b>	<b>6,481,222</b>	<b>6,740,812</b>	<b>9,512,849</b>	<b>68,864,865</b>	<b>6,058,765</b>	<b>572,844</b>	<b>631,204,023</b>

\*Property, plant and Equipment were valued in June 2020 by Go Invest Limited, Independent Valuers, on the basis of Current market value. The carrying amount of the assets was credited to the Revaluation reserve in line with Accrual basis of accounting method under the International Public sector accounting standard (IPSAS).

Notes to the Financial Statements (Continued)

**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by Go Invest Limited, Independent professional valuers on June 2020. These amounts were adopted in the financial statements on June 2019

**19 (b) Property, Plant and Equipment at Cost**

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
<b>Land</b>	126,000,000	-	126,000,000
Building	448,558,122	49,724,910	398,833,212
Pavements	6,886,185	534,587	6,351,598
Computers	25,301,512	19,189,146	6,112,366
Furniture	15,151,711	6,483,047	8,668,664
Plant ME	149,494,007	86,794,424	62,699,583
Motor Vehicle	13,758,132	9,214,058	4,544,074
Textbooks	594,344	-	594,344
<b>Total</b>	<b>785,744,013</b>	<b>171,940,171</b>	<b>613,803,842</b>

**20. Intangible Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Cost</b>		
At beginning of the year	2,325,586	3,100,781
Additions		
At end of the year	2,325,586	3,100,781
At end of the year	2,325,586	3,100,781
<b>Amortization and impairment</b>		
At beginning of the year	2,325,586	3,100,781
Amortization	(581,396)	(775,195)

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At end of the year	1,744,189	2,325,586
At end of the year	1,744,189	2,325,586

**21. Trade and Other Payables**

Description	2024-2025	2023-2024
	Kshs	Kshs
Trade payables b/d	7,241,879	7,241,879
Trade payable paid during the year	(7,241,879)	
Trade payables for year	15,007,022	
Fees paid in advance	3,524,006	
Employee advances		
Prepaid	(2,128,949)	
Other payables		
<b>Total trade and other payables</b>	<b>16,402,079</b>	<b>7,241,879</b>

Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	16,402,079	100	7,241,879	100
1-2 years		0		
2-3 years		0		
Over 3 years		0		
<b>Total (to tie to totals above)</b>	<b>16,402,079</b>	<b>100</b>	<b>7,241,879</b>	<b>100</b>

**22. Refundable Deposits from Customers/Students**

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumer deposits		
Caution money	4,114,716	4,114,716
Received during the year	800	
Refund during the year	(8,100)	
Other refundable deposits		
<b>Total deposits</b>	<b>4,107,416</b>	<b>4,114,716</b>

Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	800	0.1	68,100	2

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1-2 years		0	572,900	14
2-3 years		0	472,100	11
Over 3 years	4,106,616	99.9	3,001,616	73
<b>Total (to tie to totals deposits above)</b>	<b>4,107,416</b>	<b>100</b>	<b>4,046,616</b>	<b>100</b>

The Polytechnic also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. NSSF the has a defined contribution scheme where Employees contribute 6% while employers contribute 6% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

**23. Cash generated from operations.**

	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Surplus for the year before tax</b>	(39,133,700)	10,395,133
<b>Adjusted for:</b>		
Depreciation	20,914,557	26,796,547
<b>Working Capital adjustments</b>		
Increase in inventory	1,598,690	(3,594,451)
Increase in receivables	(8,487,331)	3,320,023
Increase in payables	9,152,900	(26,254,095)
<b>Net cash flow from operating activities</b>	<b>(15,954,884)</b>	<b>10,663,157</b>

**24. Financial Risk Management**

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

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**(i) Credit risk**

The Polytechnic 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 Polytechnic's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	<b>Total amount</b>	<b>Fully performing</b>		<b>Past due</b>	<b>Impaired</b>
	<b>Kshs</b>	<b>Kshs</b>		<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2024</b>					
Receivables from exchange transactions	280,145,743	280,145,743			
Bank balances	45,249,716	45,249,716			
<b>Total</b>	<b>325,395,459</b>	<b>325,395,459</b>			
<b>At 30 June 2025</b>					
Receivables from exchange transactions	288,633,074	288,633,074			
Bank balances	19,484,775	19,484,775			
<b>Total</b>	<b>308,117,849</b>	<b>308,117,849</b>			

**Financial risk management (continued)**

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

The Polytechnic has significant concentration of credit risk on amounts due.

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 Polytechnic's directors, who have built an appropriate liquidity risk management framework for the management of the Polytechnic's short, medium and long-term funding and liquidity management requirements. The Polytechnic 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.

	Less than 1 month	Between 1-3 months		Over 5 months	Total
	Kshs	Kshs		Kshs	Kshs
<b>At 30 June 2024</b>					
Trade payables	7,241,879			-	7,241,879
Other Payables				-	-
<b>Total</b>	<b>7,241,879</b>				<b>7,241,879</b>
<b>At 30 June 2025</b>					
Trade payables	16,402,079				16,402,079
Other Payables	-				
<b>Total</b>	<b>16,402,079</b>				<b>16,402,079</b>

**(iii) Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Polytechnic'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 Polytechnic'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 Polytechnic's exposure to market risks or the manner in which it manages and measures the risk.

**a) Foreign currency risk**

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

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

**b) Interest rate risk**

Interest rate risk is the risk that the Polytechnic'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 Polytechnic 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 Polytechnic's capital risk management is to safeguard the Polytechnic's ability to continue as a going concern. The Polytechnic capital structure comprises of the following funds:

	2024-2025	2023-2024
	Kshs	Kshs
Capital Reserves	311,637,296	311,637,296
Accumulated funds	299,495,828	289,100,695
Revaluation reserve	317,207,202	317,207,202
Capital fund	24,794,858	24,794,858
<b>Total Funds</b>	<b>953,135,184</b>	<b>942,740,051</b>
Less: Cash and Bank Balances	26,550,409	45,438,270

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**25. Related Party Balances**

Entities and other parties related to the TTNP 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 TTNP, holding 100% of the TTNP equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the TTNP, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Council members;

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

	2024-2025	2023-2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Purchases from related parties</b>		
Purchases of electricity from KPLC & Tavevo Water	12,776,342	7,141,730
<b>Total</b>	<b>12,776,342</b>	<b>7,141,730</b>
<b>a) Grants /Transfers from the Government</b>		
Grants from National Govt	57,264,686	49,250,000
Grants in Kind- PSC Trainers Salaries	-	77,521,200
<b>Total</b>	<b>57,264,686</b>	<b>126,771,200</b>
<b>a) Expenses incurred on behalf of related parties</b>		
Grants in Kind- PSC Trainers Salaries	-	77,521,200
<b>Total</b>	<b>-</b>	<b>77,521,200</b>
<b>b) Key management compensation</b>		
Directors' emoluments	9,493,795	4,931,000
<b>Total</b>	<b>9,493,795</b>	<b>4,931,000</b>

**26. Events After the Reporting Period**

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

**27. Ultimate And Holding Polytechnic**

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

**28. Currency**

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

29. 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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p><b>Unexplained variances in the Financial Statements</b></p> <p>i). The statement of financial performance and Note 7 to the financial statements reflects rendering of services/fees from students of Kshs.189,085,549 while the statement of cashflows reflects rendering of services-fees from students' amount of Kshs.194,527,315. The statement of financial position reflects an increase in student debtors of Kshs.1,428,871, resulting in unexplained cash inflows of Kshs.4,012,895 whose source has not been disclosed.</p>	<p>For note i. and ii. The management acknowledges the audit findings and commits to ensure future financial statements are accurately reflected.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>ii). The statement of financial performance and Note 11 to the financial statements reflects accrued expenses on use of goods and services amount of Kshs.148,189,478 and the statement of financial position reflect trade payables from last year which were settled during the year of Kshs.3,107,228 all totalling to Kshs.151,296,706. However, statement of cashflows reflects payments for use of goods and services amount of Kshs.181,303,961, resulting to unexplained overpayment of Kshs.30,007,255.</p>			
	<p><b>Understated Board Expenses</b></p> <p>The statements of financial performance and Note 13 to the financial statements reflects remuneration of</p>	<p>The management acknowledges the audit finding, and commit to include taxes to reflect gross amount, however the board expense is within the budget and commit to ensure board expenses are accurately captured in future to include taxes.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>directors of Kshs.6,945,620. However, the amounts posted in the ledger are net of taxes thus understating the expenses.</p>			
	<p><b>Unconfirmed Cash and Cash Equivalent</b></p>	<p>The management acknowledge audit findings and commit to ensure that both the cash book and the financial statement balances are accurately captured</p>		
	<p><b>Unsupported Depreciation Charge</b></p>	<p>The management commits to ensure correct depreciation rates and method are applied as per the finance policy while preparing its future financial statements and also ensure that only assets above Kshs 15,000 are capitalized as qualifying assets.</p>		
	<p><b>Budgetary Control and Performance</b></p>	<p>The management acknowledges the audit finding; however, the minimal revenue short fall was a result of late or no disbursement of Government grants and development grants. The year under review the government had sent grants for quarter 1, 2 and 3 and also development funds budgeted were not disbursed. It had not disbursed quarter four. And the under expenditure was as a result of late or no disbursement of</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Government grants and development grants there by forcing the institution to curb or reduce its expenditure.		
	<p><b>Non- Compliance with National Cohesion and Integration Act</b></p> <p>Audit review of the Taita Taveta National Polytechnic staff list revealed that forty-eight (48) out of seventy (70) members of staff (69%) were from the same ethnic group in contrary to Section 7(1) of the National Cohesion and Integration Act, 2008, which provide that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.</p>	<p>The management acknowledges the audit findings and commits to ensure to comply with law. However, the staff biodata provided did not take into account trainers employed by the council. The council has employed 125 staff including trainers as follows; Local community (Taita) 51 staff and other ethnic 74 staff which reflect a percentage of 40.8 % and 58.2 %.</p>		

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Name: Mr. Show Fondo Kalama.  
Accounting Officer  
Principal/ Council Secretary  
Date: ...1/12/2025.....

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**Appendix III- Inter-Entity Confirmation Letter**

Appendix II: Inter-entity confirmation letter



MINISTRY OF EDUCATION  
STATE DEPARTMENT FOR TECHNICAL, VOCATIONAL EDUCATION AND TRAINING

Taita-Taveta National Polytechnic  
P o B o x 3 4 - 8 0 3 0 0  
V o i

The State Department for Technical, Vocational Education and Training wishes to confirm the amounts disbursed to you as at 30 June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate them in column H in the table below. Then please sign and stamp this request in the space provided and return it to us

Confirmation of amounts received by (Taita-Taveta National Polytechnic) as at 30 June 2025										
Amounts Disbursed by State Dept for TVEI as at										
30-Jun-25										
	Reference Number	Date Disbursed	Recurrent - Grants (Kshs) (A)	Development-Grants (Kshs) (B)	Capitation (Kshs)	Scholarship (Kshs)	Amount Received by (SAGA/SC/Fund/Project) as at 30 June 2024 (Kshs)	Differences (Kshs)	Total Recurrent	Total Development
Q1	BULK24264SPD6	20-Sep-24			8,256,250.00				57,264,686.00	-
	BULK24264646P3	20-Sep-24				947,192.00				
	BULK24264B9FP	20-Sep-24				8,781,027.00				
	BULK24264Z2QG	20-Sep-24				1,034,136.00				
	BULK24264Y687J	20-Sep-24				140,624.00				
	BULK2426767R5X	23-Sep-24				1,457,426.00				
Q4	BULK24267HBW3	23-Sep-24			9,284,425.00					
	BULK2426867155	24-Sep-24				3,573,880.00				

