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TABLED BY: *Hon Owen Baya, mp*

CLERK-AT-TABLE: *Deputy Leader of Majority Party*

A. Ushiko

THE AUDITOR-GENERAL

ON

NORTH HERR TECHNICAL AND VOCATIONAL COLLEGE

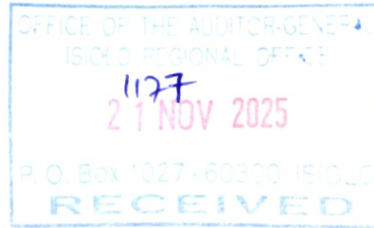
FOR THE YEAR ENDED
30 JUNE, 2025

THE NATIONAL ASSEMBLY PAPERS LAID

DATE: 05 MAR 2026

TABLED BY:

CLERK-AT-TABLE:



NORTH HORR TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms and Definition of Key Terms

A: Acronyms and Abbreviations

CS	Cabinet Secretary
PS	Principal Secretary
CBK	Central Bank of Kenya
ICPAK	College of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
TNT	The National Treasury
WB	World Bank
NHTVC	North Horr Technical and Vocational College

B: Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation.

2. Key College Information and Management

(a) Background information

North Horr Technical and Vocational College, is located in a region known for its expansive, arid and sparsely populated landscaped in the northern part of Kenya, bordering Ethiopia, approximately 200 kilometres from Marsabit town, the county's administrative headquarters, making access to educational and vocational training resources limited to the local communities.

North Horr Technical and Vocational College was established in 2019 as part of Kenya government broader initiative to improve access to Technical and Vocational Education across rural and marginalized areas. NHTVC has become a beacon of opportunity for local youth and community members. The college's foundation lies in addressing critical educational and economic gaps within Marsabit County, where residents, mostly pastoralist, have limited access to vocational training and skill development resources. As such, NHTVC is a pioneer in providing access to vocational training in diverse fields, including agriculture, food technology, plumbing, welding and fabrication, electrical installation and ICT, equipping students with skills essential for local and regional development.

The College's mission aligns with Kenya's Vision 2030 goals of transforming the nation into a middle-income economy through quality education and workforce development. Through its innovative programs and dedication to serving vulnerable communities, NHTVC plays a pivotal role in fostering sustainable economic development, social empowerment and wealth creation in the region.

The College's remote location far, from the urban centres, presents logistical challenges which limits access to essential services, constraining both day-to-day operations and developmental projects, which hinder its growth and capacity to meet the demands of the industry. The College also lacks essential infrastructure which limits exploration of other economic and social developments in the untapped potential in the fields of Agriculture, Food processing, Construction and ICT

(b) Mandate

To provide technical education and training in appropriate and emerging technologies for employment and academic progress of our students through quality and demand driven training, community partnership, work experiences and inspiring students to be life-long learners and socially responsible.

(c) Key Management

The North Horr Technical and Vocational College day-to-day management is under the following key organs:

- Board of Governors
- Principal
- Top Management

(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	Mr. John K. Chumba
2.	Deputy Principal Administration	Mr. James K. Mwangi
3	Deputy Principal Academics	Mr. Sammy O. Malingu
4	Registrar	Mr. Abdub Adano
5	Dean of students	Ms. Sabdio Wario
6	Head of Finance	Ms. Judy Mugiira

(e) Fiduciary Oversight Arrangements

- i. Audit and risk committee**
Gives checks and balances to ensure proper implementation of policies and adherence to rules and regulations in all areas of management.
- ii. Finance and infrastructure committee**
Ensures compliance in all matters finance and infrastructure developments of the College.
- iii. Academic and Human Resource Committee**
Deals with curriculum development and implementation to meet the required standards and also hires disciplines, and dismisses BOG staff members.

(f) College Headquarters

P.O. Box 200-60500
MARSABIT, KENYA

(g) College Contacts

Telephone: (254) 0714634023
E-mail: northhorrtvc@gmail.com
Website: northhorrtti.ac.ke

(h) College Bankers

Kenya Commercial Bank Marsabit
P.O. Box 83-60500
MARSABIT, KENYA

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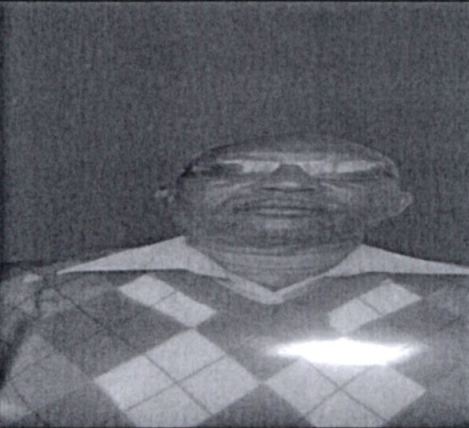


(i) Independent Auditors

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



(j) Principal Legal Adviser

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



3. The Board of Governors

Governors	Details
<p>1</p>  <p>Name: Konchora Chepe Designation: Board Chair</p>	<p>DOB: 1961</p> <p>Qualification: M.Ed Comparative Education: B. Ed Sci., Dip. In SC Ed.</p> <p>Experience: Secondary Teacher, Deputy Principal, Principal, Education Officer, Deputy Director of Education, Senior Assistant Director of Education</p>
<p>2</p>  <p>Name: Wario Yattani Designation: Board Member</p>	<p>Qualifications: BCom. Procurement. Experience in Government and Private sector Worked as Procurement Officer of Marsabit County government</p>
<p>3</p>  <p>Name: Abkul Orto Designation: Board Member</p>	<p>DOB: 1/7/1961</p> <p>Education: PHD IT, MSc CBIS, B.SC Experience: Lecturer School of Computing and Informatics, Meru University, TOWA Project (Pastoralist's action For Development, Marsabit), Project Grant Mobilization (MUST Research, KENET Raspberry).</p>




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4.	 <p>Name: Diana Nabulu Designation: Board Member</p>	<p>DOB: 9/10/1995</p> <p>Qualifications: B.SC Geography and Natural Resources.</p> <p>Experience: Project Director Compassion International, Project Coordination, Budget development, Procurement management, Project planning, and planning</p>
5.	 <p>Name: Chuluke Jarso Designation: Board Member</p>	<p>DOB: 14/9/1993</p> <p>Qualification: B.SC. Food Nutrition and Dietetics</p> <p>Experience: Participatory Epidemiology Research assistant – Nawiri Project, Health and Nutrition internship, Participatory research on malnutrition</p>




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<p>6.</p>		<p>DOB: 10/6/1995</p> <p>Qualifications: BA Business Administration, Dip. Project Mgmt.</p> <p>Experience: Communities and Corporate Projects and Financial management, Research Projects as well as undertaking Colleague programming for government departments</p>
<p>7.</p>		<p>Qualification: B.Ed Technology, Dip. Mechanical Technology, Dip. Technical education, Cert. Farm machinery maintenance and operation</p> <p>Mr. John K. Chumba joined the College in September 2024, as a principal. Previously, he has served in other Colleges including Endeless and North Horr Technical and Vocational College's as the Deputy Principal and has been in charge of the Kenya- China TVET Equipping (Mechanical, Agricultural Mechanisation)</p>
<p>Name: Ann Ture Designation: Board Member.</p>		
<p>Name: John K. Chumba Designation: Board Secretary DOB: 26/11/1970</p>		

4. Key Management Team

	Member/ Director	Details
1	 <p>Name: John K. Chumba Designation. Principal</p>	<p>DOB: 26/11/1970</p> <p>Qualification: B.Ed Technology, Dip. Mechanical Technology, Dip. Technical education, Cert. Farm machinery maintenance and operation</p> <p>Mr. John K. Chumba joined the College in September 2024, as a principal. Previously, he has served in other Colleges including Endebs and North Horr Technical and Vocational College's as the Deputy Prinicipal and has been in charge of the Kenya- China TVET Equipping (Mechanical, Agricultural Mechanisation)</p>
2	 <p>Name: James K. Mwangi Designation: Deputy Principal; Administration</p>	<p>DOB: 10/1/1990</p> <p>Qualification: BSc Agricultural Engineering Mr. James K. Mwangi was among the pioneer members of the College in September 2020 NHTVC posted by the Public Service Commission (PSC).</p> <p>His key responsibilities include;</p> <ol style="list-style-type: none"> 1. Administrative. 2. Maintenance and inventory 3. Human Resource 4. And any other responsibilities bestowed upon him as per his terms of employment.
3	 <p>Name: Sammy O. Malingu Designation: Deputy Principal; Academics</p>	<p>DOB: 5/24/1992</p> <p>Qualification: B. Tech Education, Dip: Electrical and Electronics Engineering, Cert: Solar Power Voltage (PV).He joined NHTVC in March 2025 posted by the Public Service Commission (PSC) as Deputy Principal; Academics. Previously, he served as the Head of Department Electrical Dept (HOD) in Endebs TVC since 2020</p> <p>His key responsibilities include; Curriculum Implementation, Examination/Assessments Performance Contracting (Pc) Formulation and Implementation.</p>

North Horr Technical and Vocational College
Annual Report and Financial Statements for the year ended June 30, 2025.

4	 <p>Name: M/S Judy Mugiira Designation: Head of Finance</p>	<p>Qualification: Bachelor in Business Administration, Finance, CPA II</p> <p>Ms. Judy Ciampui Mugiira Joined NHTVC in November 2021 through the College's Board of Management as an Accountant in charge, Finance Office</p> <p>Key Responsibilities include; Recording and Processing transactions Preparation of Financial Statements Reconciliation of Accounts Help with the Budgetary process</p>
5	 <p>Name: Abdub Adano Ramata Designation: Registrar DOB: 4/4/1993</p>	<p>Qualification: BA Human Resource</p> <p>Mr. Abdub Adano joined NHTVC in September 2024 posted by the Public Service Commission (PSC) as a trainer in Human Resource. He previously served as the dean of students and currently the Registrar from February 2025.</p> <p>He served as a graduate intern in Kenya Commercial Bank (KCB) from January 2024 to August 2024</p> <p>His key responsibilities include; Student admissions Examination and administration Maintain Student Register Performance Contracting Implementation Marketing</p>
6	 <p>Name: Sabdio Wario Diba Designation: Dean of Students DOB: 5/7/1990</p>	<p>Qualification: Diploma in Social work and Community Development</p> <p>Ms. Sabdio Wario joined NHTVC in November 2023 posted by the Public Service Commission (PSC) as trainer in Social Work and community Development; She was previously the Deputy Dean of Students and Head of Department Social Work. She's the Dean of Students since January 2023</p> <p>Her key responsibilities include; Student Welfare Staff Welfare Career Guidance Non-Teaching Staff Management</p>

5. Chairman's Statement

The world today is evolving very rapidly which calls for highly skilled workforce more than ever before. As a country, there is need to nurture and empower the youth with practical skills that will not only improve their lives but also spur economic growth of our country.

Technical and Vocational Education and Training (TVET) Colleges play a critical role in ensuring talents and skills needed to meet the demands of both local and global market demands are enhanced. North Horr Technical and Vocational College is therefore in the front line in providing quality education and training to meet the market standards. Our training is geared towards equipping trainees with adaptable skill sets and mindsets to thrive in the current dynamic and evolving job market landscape which necessitate a major strategic shift in service delivery.

NHTVC is passionate to provide students with not just the technical skills they need, but also the soft skills that will help them to thrive in any work environment. It is also important to note that in order to achieve these goals, there is need for prudent and efficient utilization of the scarce resources and this call for prioritized, purposed and targeted strategies of resource mobilization. It is therefore, important that the College engages various like-minded stake holders and partners in order to supplement the government's effort toward achieving this goal.

In conclusion we would like to register our commitments as the board of North Horr Technical and Vocation College in our oversight role and resource mobilization ensures quality service delivery and growth of the College



Mr Konchora Chepe Isako
Chairman Board of Governors

6. Statement by the Accounting Officer

In today's dynamic world, there is a rapid change from knowledge base economies to skilled based economies in order to meet the ever-rising demand for goods and services. This calls for a high level of innovation in order to increase production and to be able to beat competition and make profits in the competitive world of business. Kenya has not been left behind as is envisaged in the vision 2030.

Technical and Vocational Education and Training (TVET) institutions play a critical role in ensuring talents and skills needed to meet the demands of both local and global market demands are enhanced. North Horr Technical and Vocational College is therefore in the front line in providing quality education and training and skills development to meet the industry demands. Our training is geared towards equipping trainees with adaptable skill sets and mind-sets' to thrive in the current dynamic and evolving job market landscape which necessitate a major strategic shift in service delivery.

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NHTVC being the icon institution in the Chalbi desert is bestowed with the heavy responsibility of ensuring that many youths in the region get requisite skills in order competes equally with all the other regions in Kenya. It is for this reason that the Board and Management are striving hard to ensure increase in the student population.

The College however faces a lot of challenges both logistical and environmental which increases the cost-of-service delivery this limiting development as compared to other institutions of the same stature. Also, the harsh conditions also render the students and parents unable to pay fees as their priorities first are survival. This explains the reason for high fees arrears and low development.

The Board of Governors and the management are working round the clock to realize improvement by coming up with appropriate and prudent ways of resource mobilization an prudent use of these scarce resources.

In conclusion, the management commits to come up with workable strategies in order to stimulate growth through increase student population, Community involvements and enhanced partnerships and collaborations with the industries.



Accounting Officer

7. Statement of Performance against Predetermined Objectives for FY2024/2025

NHTVC developed a strategic plan for the period 2023-2027 which is the guideline towards effective service delivery. The strategic plan comprises of thirteen (13) objectives which is on course and are at different stages of implementation each of which carrying its own merits and challenges

The objectives of NHTVC as per the strategic plan are as follows:

1. To integrate ICT in training
2. To recruit competent and qualified trainers
3. To strengthen and nurture industry collaborations
4. To enhance infrastructure and facilities to accommodate persons with disabilities
5. To upgrade the existing physical infrastructure
6. To develop new infrastructure facilities
7. To sensitize trainees on alcohol and drug abuse
8. To improve the health of trainees
9. To strengthen guidance & counselling services
10. To increase gross enrolment
11. To prudently manage financial resources
12. To offer competitive staff remuneration
13. To enhance IGA's

North Horr has managed to make stride in the following areas:

- Recruited Five (5) competent and qualified trainers in the field of agriculture, social work and Community Development, Building Technology and Human Resource.
- Increased trainee enrollment from 163 in 2023 to 208 in 2024
- Pay staff remunerations in time
- Enhance IGA by selling purified water.

The college also has faced challenges in implementing some of the objectives due to financial constraints and other exogenous factors.

(North Horr Technical and Vocational College)

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

8. Governance Statement

North Horr Technical & Vocational College is a government institution under Ministry of Education, State Department of TVET. It's managed by Board of Governors appointed by the cabinet secretary who oversees the operations of the College.

The Board of Governors constitute seven members headed by the chairman and is composed of three committees that include; Finance and Infrastructure, Education and Human Resource, Risk and Audit. The College is committed to ensuring compliance with the principles of corporate governance as it is in the Constitution of Kenya 2010, and the Mwongozo Code of Conduct.

The Board of Governors is responsible for the governance of the College on how it conducts its operations in adherence to the principles of Corporate Governance that is; transparency, accountability, risk management, internal controls, ethical leadership and good corporate citizenship.

The day to day running of the College is done by the top management constituting the Principal, Deputy Principal Administration, Deputy Principal Academics, Registrar, Dean of Students.

The College continuously assesses its governance operating model to ensure that robust internal governing systems and practices are in place to support the Board and Management in delivering on its mandate.

9. Management Discussion and Analysis

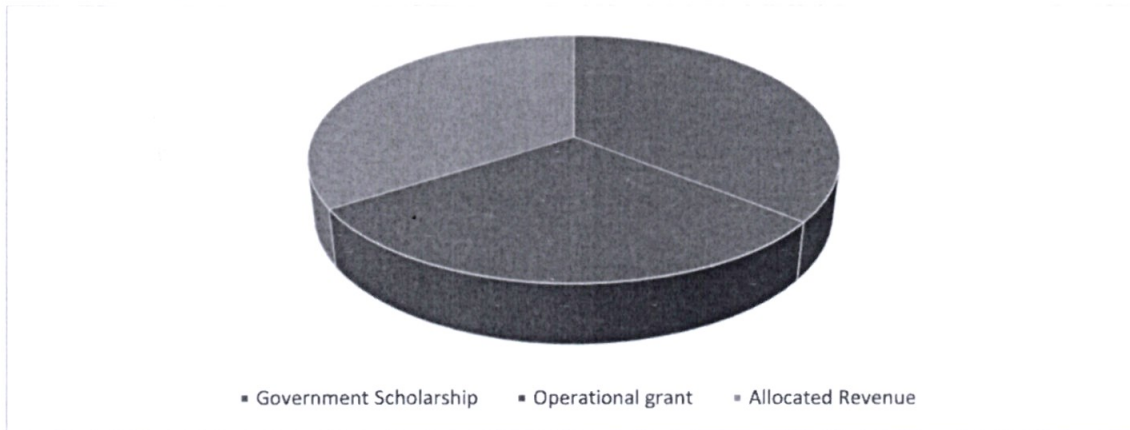
Analysis of the Statement of Financial Performance for FY 2024/2025

During the financial year 2024/2025, NHTVC recorded an overall net surplus of Kshs 299,655, compared to a surplus of Kshs 4,400,803 in the previous year. This performance reflects a stable financial position with sustained revenue growth, though offset by significant increases in operational costs as the college expanded its activities and improved service delivery.

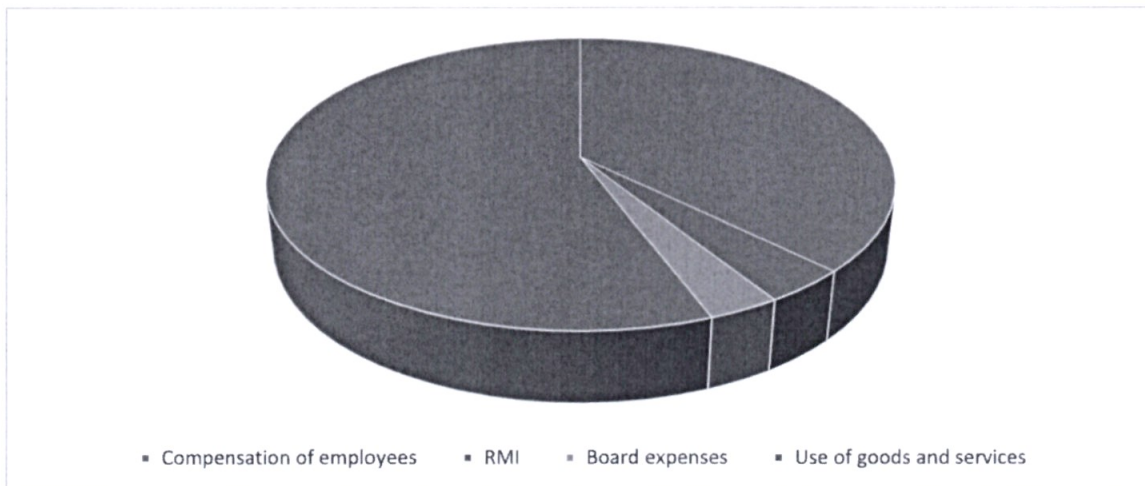
Total revenue for the year amounted to Kshs 13.43 million, representing a 4.4% increase from Kshs 12.86 million in 2023/2024. This growth was driven primarily by higher government support and stable internally generated income.

Total expenses for the year increased significantly to Kshs 13.13 million, up from Kshs 8.46 million in 2023/2024 a rise of approximately 55%, reflecting enhanced resources channel to training materials, utilities, and operational supplies necessitated by expanded institutional programs.

Revenue analysis

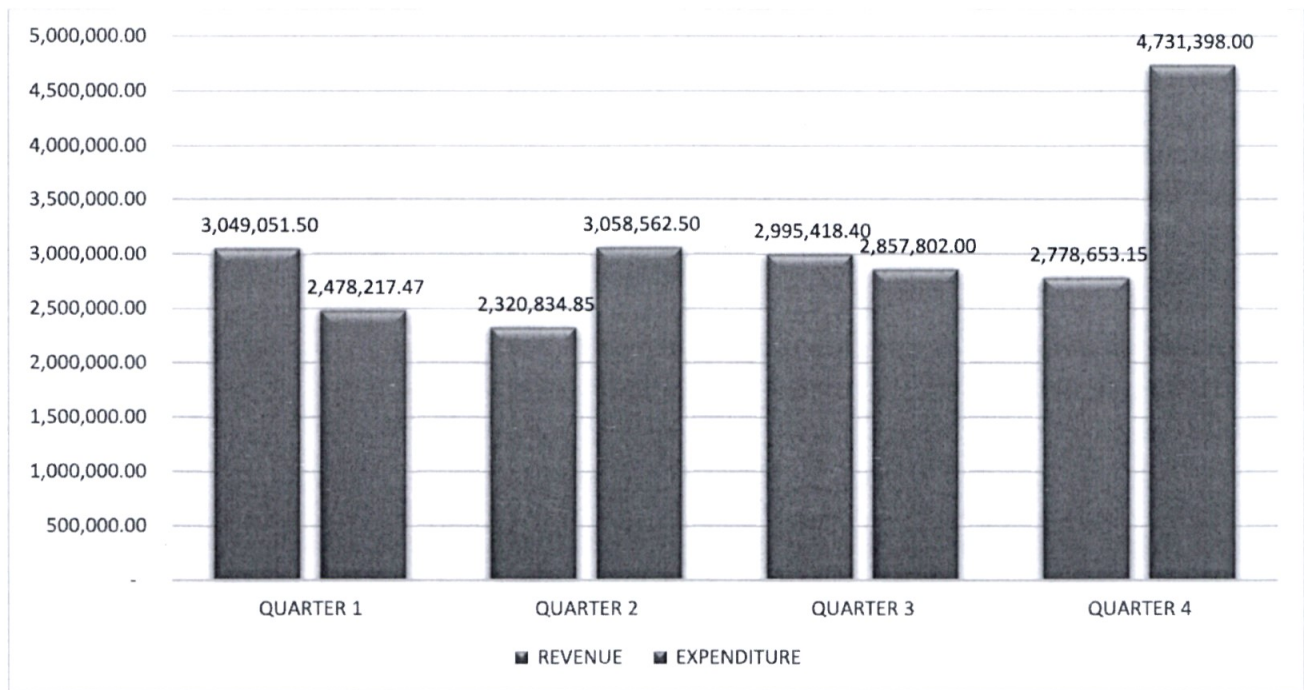


Expenditure analysis



Quarterly Comparison of Revenue and Expenditure for NHTVC, FY 2024/2025

During the Financial Year 2024/2025, North Horr Technical and Vocational College (NHTVC) demonstrated strong institutional growth, effective management, and commitment to excellence in training and service delivery. Despite normal quarterly variations in revenue and expenditure, operations remained stable and well-coordinated. Expenditure was strategically directed toward infrastructure development, quality improvement, and institutional strengthening. The College’s steady revenue performance reflects resilience and growing stakeholder confidence. Upholding transparency, accountability, and value for money, NHTVC continues to optimize resources and diversify income streams, positioning itself as a progressive, forward-looking institution dedicated to producing a skilled and competent workforce for national development.



Analysis of the Statement of Cash Flows for the Year Ended 30 June 2025

The Statement of Cash Flows provides critical insight into NHTVC's liquidity, cash generation capacity, and financial management during the 2024/2025 financial year. NHTVC recorded a net decrease in cash and cash equivalents of Kshs 1.98 million, ending the year with Kshs 1.41 million compared to Kshs 3.39 million at the beginning of the year. This reflects a planned utilization of cash to support expanded operations and institutional development activities.

Despite the reduced cash balance, the College maintained positive liquidity, with sufficient funds to meet short-term obligations. The cash reduction was largely a result of higher operational investments aimed at enhancing service delivery and institutional efficiency.

The 2024/2025 cash flow performance demonstrates that NHTVC remains financially resilient, even amid fluctuating government funding and increased operational expenditure. The College strategically utilized its cash resources to support growth, improve facilities, and enhance service delivery.

Analysis of the Statement of Financial Position for FY 2024/2025

The Statement of Financial Position as at 30 June 2025, reflects the college's continued commitment to prudent financial management, resource optimization, and operational efficiency. Despite a contraction in total assets compared to the previous financial year, the College remains in a strong financial position with no external liabilities and a solid equity base.

a) Financial Position Overview

As at the end of the financial year 2024/2025, total assets stood at Kshs 4.33 million, compared to Kshs 7.20 million in FY 2023/2024. The entire asset base continues to be financed from internal sources, demonstrating the College's strong solvency position and financial independence.

b) Liquidity and Working Capital

Current assets decreased from Kshs 6.56 million in FY 2023/2024 to Kshs 3.69 million in FY 2024/2025, primarily due to the reduction in cash and cash equivalents. The decline reflects the planned utilization of cash reserves to support key operational and strategic initiatives undertaken during the year.

Despite this reduction, the college maintains a 100% liquidity ratio, as it carries no current liabilities. This underscores our ability to meet all short-term obligations and maintain uninterrupted service delivery.

c) Receivables Management

Receivables from exchange transactions declined by Kshs 0.88 million (from Kshs 3.17 million to Kshs 2.28 million). This reduction indicates improved collections efficiency and tighter credit control, leading to a healthier receivables position and stronger cash flow management.

d) Non-Current Assets

Non-current assets remained stable at Kshs 0.64 million, reflecting the College's continued investment in essential infrastructure and equipment to support service delivery. No new capital additions were made during the year, as the focus shifted toward maximizing utilization of existing resources.

e) Capital and Reserves

The College's accumulated surplus stands at Kshs 4.33 million, representing the residual interest in assets after deducting liabilities. The maintenance of a positive net asset position, coupled with zero external debt, demonstrates long-term financial stability and a sustainable capital structure.

North Horr Technical and Vocational College
Annual Report and Financial Statements for the year ended June 30, 2025.

f) Overall Financial Health

The College's financial health remains strong and sustainable. The reduction in total assets is consistent with the planned deployment of financial resources toward operational priorities, rather than indicative of financial distress. The absence of liabilities and the continued positive net worth position affirm the College's ability to meet future obligations and invest in growth-oriented initiatives.

10. Environmental and Sustainability Reporting

a) Sustainability strategy and profile

North Horr Technical and vocational College currently has no sustainability strategy, but the management and the board of governors are trying to lead this transition, and to induce changes in this new paradigm. The institution has a cordial working relation with the Member of Parliament who has greatly engineered our prosperity by offering funds and vowing to fund other major projects soon. Also, the institution is trying to engage in income generating projects such as water purification and Fish farming which will be extra source of income. We have also enhanced extensive marketing to ensure we get more students in order to receive more revenue.

North Horr Technical and vocational college desire to enhance its visibility, performance and competitiveness in the tertiary education sector. However, to achieve these objectives the college requires a lot of support from the other stakeholders and Government in terms of funding and moral support and other contributions. The challenges include delay in disbursement of capitation which leads to delay in settling the college obligations and implementing the college programmes. The college have limited tuition facilities e.g., lecture rooms and workshops which are used in delivering services to the students. The other challenge is on under staffing which also hinder quality service deliver.

b) Environmental performance /climate change/ mitigation of natural disasters

Employee welfare

Under environmental performance, North Horr technical face adverse environmental effect given its location in the desert region. The extreme heat conditions, wind and flash floods at time makes the learning environment not conducive for learning. However, the institution works to make the necessary adjustments to adopt to the prevailing conditions to make the learning environment as suitable as can be made possible.

The institution also endeavours to conserve the environment by planting trees , though it faces a myriad of challenges ranging from harsh climatic conditions to invasion by livestock making survival rate to be very low.

c) Operational practices

North Horr Technical and Vocational College has so far managed to maintain good business practices by offering equal opportunities to women, youths and people with disability and with all other suppliers by ensuring timely procurement and prompt payments without delay. These has enhanced good business practice.

d) Community Engagements-

The institution has currently not embraced the CSR activities however in general through collaboration with the Member of Parliament, member of county assembly and the county government; we managed during the financial year to help students get bursaries both from within and without. Going forward we are working hard to implementing valuable, rare and non-substitute actions to this effect.

11. Report of the Board of Governors

The Board members submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the North Horr Technical and Vocational College affairs.

Principal activities

The principal activities of the College are training

Results

The results of the College for the year ended June 30, 2025 are set out on page 1 to 5.

Council/Board of Governors

The members of the Board who served during the year are shown on page vi, vii and viii.

Auditors

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

By Order of the Board



.....

Secretary of the Board

Date:

12. Statement of Management Responsibilities/Report of the Board of Governors

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government College shall prepare financial statements in respect of that College. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time. The Accounting Officer in charge of the NHTVC is responsible for the preparation and presentation of the College's financial statements, which give a true and fair view of the state of affairs of the College 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 College, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the College; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NHTVC accepts responsibility for the North Horr Technical and Vocational College financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS).

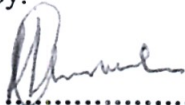
The Accounting Officer is of the opinion that the North Horr Technical and Vocational College financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2025, and of the College's financial position as at that date.

The Accounting Officer further confirms the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the financial statements as well as the adequacy of the system of internal controls.

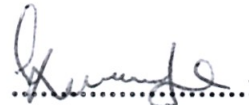
The Accounting Officer in charge of the NHTVC confirms that the College has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the North Horr Technical and Vocational College funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the North Horr Technical and Vocational College financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The College's financial statements were approved by the Board on 28th August 2025 and signed on its behalf by:



.....
Name
Chairperson of the Board



.....
Name
Accounting Officer

REPUBLIC OF KENYA

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



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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NORTH HERR TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of North Herr Technical and Vocational College set out on pages 1 to 30, which comprise of the statement of financial

Report of the Auditor-General on North-Herr Technical and Vocational College for the year ended 30 June, 2025

position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of North Horr Technical and Vocational College 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 Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

Undisclosed Property, Plant and Equipment

The statement of financial position and Note 16 to the financial statements reflect property, plant and equipment balance of Kshs.642,340 in respect to additions of unspecified assets during the year under review. However, audit review and physical inspection revealed that the College had other assets including land, buildings, furniture and fittings, computers and ICT equipment and plant and equipment but which had not been valued and disclosed in the financial statements.

In the circumstances, the accuracy, completeness and valuation of property, plant and equipment balance of Kshs.642,340 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects actual expenditure of Kshs.13,125,980 against actual receipts of Kshs.13,425,635, resulting to under-utilization of Kshs.299,655, or 2% of the actual receipts.

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

2. Under-Funding of Capitation Grants

The statement of cash flows reflects transfers from other Government entities/Government grants balance of Kshs.4,397,134. Included in the balance is Kshs.1,718,800 in respect to student capitation grants, as per the letter of confirmation of amounts disbursed by the State Department for Technical, Vocational Education and Training. However, according to the Government Technical and Vocational College (TVC) fee structure the capitation per student was capped at Kshs.30,000 for the year and the College with total of one hundred and six-eight (168) students during the year had an expected student capitation amount of Kshs.5,040,000, but received only Kshs.1,718,800, resulting to under-funding by Kshs.3,321,200.

In the circumstances, the under-funding affected the College planned activities and may have impacted negatively on service delivery.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

The following matters raised in the College's previous year audit report remain unresolved. The matters include:

1. Undisclosed Property, Plant and Equipment
2. Unconfirmed Cash and Cash Equivalents
3. Late Submission of Financial Statements.
4. Non-Deduction of Statutory Deductions.
5. Un-Utilized Machinery and Equipment
6. Lack of Internal Audit Function and Audit Committee.

Other Information

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

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is

materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Non-Compliance with Data Protection Requirements

The College had not registered with the Office of the Data Protection Commissioner (ODPC) as a data controller and data processor, despite actively collecting, processing, and storing personal data of staff, students and service providers during the year under review. This was contrary to Section 18(1) of the Data Protection Act, 2019, which requires that data controllers and data processors who process personal data to register with the Office of the Data Protection Commissioner (ODPC).

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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

Basis for Conclusion

1. Lack of Risk Management Policy

The College did not provide evidence of the existence of a Risk Management Policy that guided its Management on risk assessment and formulation of risk mitigation strategies in the year under review. This was contrary to Regulation 165(1)(a) and (b) of the Public Finance Management (National Governments) Regulations, 2015, which requires the Accounting Officer to develop risk management strategies that include fraud prevention mechanisms and internal control that builds robust business operations.

In the circumstances, the effectiveness of the internal controls on the College's financial and operational systems could not be confirmed.

2. Failure to Carry out Internal Audit

In the financial year of 2024/2025, the College lacked an Audit Committee and did not perform internal audit function to evaluate the efficiency of its internal controls, adherence to laws and regulations, and the efficiency and effectiveness of its operations. This was contrary Regulation 160(1)(a) Public Finance Management (National Government) Regulations, 2015, which states that internal auditors shall review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in County Government entities.

In the circumstances, the effectiveness of internal controls, risk management and governance of the College could not be confirmed.

3. Lack of Information Technology (IT) Governance Framework

During the year under review, the College did not have key Information Technology (IT) governance and control documents in place. The College lacked an IT Strategic Plan, IT security and upgrade policies, a disaster management and recovery plan, and a business continuity plan. The absence of these critical policies exposes the College to significant risks relating to system security, data integrity, and operational continuity.

In the circumstances, the effectiveness of IT governance, security, and continuity controls 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 Board of Governors

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

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

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

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

The Board of Governors is responsible for overseeing the College'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, SBS
AUDITOR-GENERAL

Nairobi

03 December, 2025

14. Statement of Financial Performance for the year ended 30th June 2025

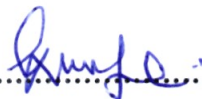
Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	6,678,811	5,707,060
		6,678,811	5,707,060
Revenue from Exchange transactions			
Rendering of services- fees from students	7	6,724,524	7,075,179
Sale of goods and other income	8	22,300	82,760
Revenue from Exchange transactions		6,746,824	7,157,939
Total Revenue		13,425,635	12,864,999
Expenses			
Use of goods and services	9	9,054,975	5,007,766
Employee costs	10	3,141,838	2,137,230
Board /Council Expenses	11	419,900	1,319,200
Depreciation and amortization expense	12	0	0
Repairs and maintenance	13	509,267	0
Total Expenses		13,125,980	8,464,196
Net surplus/Deficit for the year		299,655	4,400,803

The Financial Statements set out on pages 1 to 29 were signed on 28th August 2025 by:



Chairman of Board

Date



Principal

Date



Finance Officer

ICPAK No. 31412

Date

(North Horr Technical and Vocational College)

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

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

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	1,408,154	3,390,176
Receivables from Exchange transactions	15	2,281,677	3,165,162
		3,689,831	6,555,338
Non-Current Assets			
Property, plant, and equipment	16	642,340	642,340
Intangible assets	17	0	0
		642,340	642,340
Total Assets		4,332,171	7,197,678
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	18	0	0
Refundable deposits from customers	19	0	0
Total Liabilities		0	0
Net Assets		4,332,171	7,197,678
Accumulated Surplus		4,332,171	7,197,678
Total Net Assets and Liabilities		4,332,171	7,197,678

The financial statements set out on pages 1 to 29 were signed on 28th August 2025 by:



.....
Chairman of Board

Date



.....
Principal

Date



.....
Finance Officer

ICPAK No

Date

16. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Retained earnings	Capital/ Development Grants/Fund	Total
At July 1, 2023	2,796,875	0	0
Surplus for the year	4,400,803	0	0
At June 30, 2024	7,197,678	0	0
At July 1, 2024	7,197,678	0	7,197,678
Capital fund	0	-3,165,162	-3,165,162
Surplus/Deficit for the year	299,655	0	299,655
At JUNE 30, 2025	7,497,333	-3,165,162	4,332,171

17. Statement of Cash Flows for the year ended 30th June 2025

Description	Note	2024-2025	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities/govt. Grants	6	4,397,134	5,707,060
Rendering of services- fees from students	7	6,724,524	5,865,877
Sale of goods	8	22,300	82,760
Total Receipts		11,143,958	11,655,697
Payments			
Use of goods and services	9	9,054,975	5,007,766
Compensation of employees	10	3,141,838	2,137,230
Board /Council Expenses	11	419,900	1,319,200
Repairs and maintenance	13	509,267	0
Total Payments		13,125,980	8,464,196
Net Cash Flows from operating activities		-1,982,022	3,191,501
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	16	0	-642,340
Net cash flows used in investing activities		0	-642,340
Cash flows from financing activities			
Refundable deposits from customers	19	0	0
Net cash flows used in financing activities		0	0
Net Increase/(Decrease) in Cash and Cash equivalents		-1,982,022	2,549,161
Cash and Cash equivalents at 1 JULY	14	3,390,176	841,015
Cash and Cash equivalents at 30 JUNE	14	1,408,154	3,390,176

18. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2025

	Original budget	Actual on comparable basis	Performance Difference	Utilization Difference
	2024-2025	2024-2025	2024-2025	2024-2025
Revenue	Kshs	Kshs	Kshs	%
Transfer from National Government	6,680,815	6,678,811	2,004	100%
Rendering of Services	6,730,000	6,724,524	5,476	100%
Sale of goods and Application fees	23,000	22,300	700	97%
Total income	13,433,815	13,425,635	8,180	100%
Expenses				
Compensation of employees	3,248,570	3,141,838	106,732	97%
RMI	509,300	509,267	33	100%
Board expenses	420,000	419,900	100	100%
Use of goods and services	9,255,945	9,054,975	200,970	98%
Total expenditure	13,433,815	13,125,980	307,835	98%
Surplus for the period	0	299,655	-299,655	0%

19. Notes to the Financial Statements

1. Establishment

North Horr Technical & Vocational College is established by and derives its authority and accountability from Technical and Vocational Education and Training Act 2013. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The North Horr Technical and Vocational College principal activity is to provide technical education and training in appropriate and emerging technologies for employment and academic progress of our students through quality and demand driven training, community partnership, work experiences and inspiring students to be life-long learners and socially responsible.

2. Statement of Compliance and Basis of Reporting

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 College's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 0. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the College. 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.

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 were no new and amended standards issued in the financial year.

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the College.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>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:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles</p>

Standard	Effective date and impact:
	that an College 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.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the North Horr Technical and Vocational College financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The North Horr Technical recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the College and the fair value of the asset can be measured reliably.

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 College and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development grants are recognized in the statement of financial performance after meeting the revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii) Revenue from exchange transactions

Rendering of services

The North Horr Technical 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.

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.

Notes to the Financial Statements (Continued)

b) Budget information

The original budget for FY 2024/25 was approved by the Board of Governors in June, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the College upon receiving the respective approvals in order to conclude the final budget. The College's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under section xxx of these financial statements.

c) Taxes

Current income tax

The College is exempt from paying taxes as per the schedules of the Income Tax Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an 2025-year period. 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 of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the College 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 College. 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 College 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 College 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 College. 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 College 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 College, 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 College expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the College can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) 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 College does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one College and a financial liability or equity instrument of another College. At initial recognition, the College 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 College 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 College's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an College 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 College classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are

measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the College 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 College 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 College 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 College 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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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.

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 *College*.

l) Provisions

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

The *College* 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 College provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an College pays fixed contributions into a separate College (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 *College* regards a related party as a person or an College with the ability to exert control individually or jointly or to exercise significant influence over the College, 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 *College* 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 *College* 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 *College* 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

Notes to the Financial Statements (Continued)

6. Transfers from National Government Entities

Description	2024-2025	2023-2024
	KShs	KShs
Conditional grants		
Government Scholarship	2,397,824	2,002,232
Operational grant	1,999,310	2,494,828
Capitation	-	1,210,000
Allocated Revenue	2,281,677	-
Total Government grants and subsidies	6,678,811	5,707,060

7. Rendering Of Services

Description	2024-2025	2023-2024
	KShs	KShs
Tuition fees	6,724,524	7,075,179
Total Rendering of Services	6,724,524	7,075,179

8. Sale of Goods

Description	2024-2025	2023-2024
	KShs	KShs
Production Income	22,300	82,760
Total Sale of goods	22,300	82,760

9. Use of Goods and Services

Description	2024-2025	2023-2024
	KShs	KShs
Utilities, supplies and services	-	173,816
Communication	-	77,400
Training expenses	-	2,338,281
Hospitality supplies and services	-	194,810
Office General supplies	-	76,590
Travel, motor car, accommodation, subsistence, C. Building and other allowances	1,773,495	2,139,680
Advertising	278,800	-
Consumables/Admin	434,239	-
Industrial attachment expenses	186,000	-
Activity expenses	89,750	-
Participation fees	222,588	-
Electricity Water and Concervancy(EWC)	123,144	-
Bank charges	9,510	-
Training expenses – SES	5,153,346	-
Printing and Stationeries	233,179	5,000
Staff welfare expenses	383,199	-

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Subscription	167,725	-
Other	-	2,189
Total good and services	9,054,975	5,007,766

10. Employee Costs

Description	2024-2025	2023-2024
	KShs	KShs
Salaries and wages	3,141,838	2,137,230
Total Employee costs	3,141,838	2,137,230

11. Board's Expenses

Description	2024-2025	2023-2024
	KShs	KShs
BOG remuneration	419,900	1,319,200
Total director emoluments	419,900	1,319,200

12. Depreciation

Description	2024-2025	2023-2024
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Total depreciation and amortization	-	-

13. Repair Maintenance and Improvement

Description	2024-2025	2023-2024
	KShs	KShs
RMI	509,267	-
Total Repairs and Maintenance	509,267	-

14. (a) Detailed Analysis of the Cash and Cash Equivalents

Description	2024-2025	2023-2024
	KShs	KShs
Current account	1,408,154	3,390,176
Total cash and cash equivalents	1,408,154	3,390,176

14 (b) Receivables from Exchange Transactions

Financial institution	Account number	2024-2025	2023-2024
		KShs	KShs
a) Current account			
Kenya Commercial Bank	1279568240	1,408,154	3,390,176
Sub- total		1,408,154	3,390,176
Grand total		1,408,154	3,390,176

15. Receivables from exchange transactions

Description	2024-2025	2023-2024
	KShs	KShs
Current receivables		
Opening debtors	-	1,955,860.00
Current debtors-50 Students	-	1,357,238.00
Current debtors-113 Students	-	2,985,460.00
Less:payments	-	(3,133,396.00)
Student debtors	2,281,677	-
Total receivables from exchange transactions	2,281,677	3,165,162

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Notes to the Financial Statements (Continued)

16 Property, Plant, and Equipment

	0%	2.50%	12.50%	30%	25%	25%	
Depreciation rate	0%	2.50%	12.50%	30%	25%	25%	
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 30th June 2023	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	-	-	-
Additions	642,340	-	-	-	-	-	642,340
At 30th June 2025	642,340	-	-	-	-	-	642,340
Depreciation And Impairment							
At 1 July 2023	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
At 30 June 2024	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
At 30th June 2025	-	-	-	-	-	-	-
Net Book Values							-
At 30th June 2024	-	-	-	-	-	-	-
At 30th June 2025	642,340	-	-	-	-	-	642,340

NOTE; All assets were historical donation by the ministry and has no disclosed value by the ministry

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Notes to the Financial Statements (Continued)

Valuation

Items of PPE are valued at Historical cost at the point of recognition in the financial statements. Where historical cost is not available or the item has been acquired at, PPE has been valued at the current operational value which is the amount the College would pay for the remaining service potential of an asset at the measurement date.

17 Trade and Other Payables

Description	2024/2025 FY		Opening Statement 1 st July 2025	
	Kshs		Kshs	
Trade payables				-
Employee payables				-
Chair's Honoraria				-
Health Insurance				-
Total trade and other payables				-
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year			-	%
Total (tie to above total)			-	

18 Deferred Income

Description	2024/2025 FY	Opening Statement 1 st July 2024
	Kshs	Kshs
National Government		-
Total Deferred Income		-

Analysed as:

Description	Amount
Current	
Non- Current	
Total	

The deferred income movement is as follows:

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-	-
Additions		-	-	-
Transfers To Capital Fund	-	-	-	-
Transfers To Income Statement	-	-	-	-
Other Transfers	-	-	-	-
Balance Carried Forward		-	-	-

19 Employee Benefit Obligations

Description	Defined benefit plan	Opening Bal As At 1 st July 20XX	2024/2025 FY
	Kshs	Kshs	Kshs
Current Benefit Obligation			
Non-Current Benefit Obligation			
Total Employee Benefits Obligation			

20 Financial Risk Management

The North Horr Technical and Vocational College 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 North Horr Technical and Vocational College financial risk management objectives and policies are detailed below:

(i) Credit risk

The College 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 North Horr Technical and Vocational College maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at at July 2025				
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total				

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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 College has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the North Horr Technical and Vocational College credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the North Horr Technical and Vocational College directors, who have built an appropriate liquidity risk management framework for the management of the North Horr Technical and Vocational College short, medium and long-term funding and liquidity management requirements. The College 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.

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade payables	19,945			
Current portion of borrowings	-			
Provisions	-			
Deferred income	-			
Employee benefit obligation	3,859			
Total				

ii) Market risk

The College has put in place an internal audit function to assist it in assessing the risk faced by the College 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 North Horr Technical and Vocational College 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 North Horr Technical and Vocational College 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 North Horr Technical and Vocational College exposure to market risks or the manner in which it manages and measures the risk.

a) Interest rate risk

Interest rate risk is the risk that the North Horr Technical and Vocational College financial condition may be adversely affected as a result of changes in interest rate levels. The North Horr Technical and Vocational College interest rate risk arises from bank deposits. This exposes the College to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the North Horr Technical and Vocational College deposits.

Management of interest rate risk

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

21 Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *College* 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 *College*, holding 100% of the *North Horr Technical and Vocational College* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the College, both domestic and external.

Other related parties include:

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

Notes to the Financial Statements (Continued)

	<i>Insert Current FY</i>
	Kshs
Transactions with related parties	
a) Sales to related parties	
Sales of electricity to govt agencies	-
Rent income from govt. Agencies	-
Water sales to govt. Agencies	-
Others (specify) e.g. interest and bank charges	-
Total	-
B) purchases from related parties	
Purchases of electricity from KPLC	
Rent expenses paid to govt agencies Postal Corporation	
Total	
b) Grants /transfers from the government	
Grants from national govt	
Donations in kind	
Total	
c) Key management compensation	
Directors' emoluments	
Compensation to key management	
Total	

22 Events after the Reporting Period

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

23 Ultimate And HoldinGg College

The College is a Technical and Vocational college under the Ministry of Education. Its ultimate parent is the Government of Kenya.

24 Currency

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

19. Appendix


Appendix 1: Implementation Status of Auditor-General's Recommendations

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

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

Guidance Notes:

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



Accounting Officer

Date

Appendix II: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land					
Buildings and structures					
Transport equipment					
Office equipment, furniture and fittings					
ICT Equipment					
Machinery and Equipment					
Biological assets					
Total					

Appendix III Reporting of Climate Relevant Expenditures

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