

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 28 MAY 2025

DAY.

Wednesday

REPORT

TABLED
BY:

Hon. Owen Bwayo, MP
Deputy Leader of the
majority party

CLERK-AT
THE-TABLE:

Esther Ngingo

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**KAPCHEROP TECHNICAL AND VOCATIONAL
COLLEGE**

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



Revised 30th June 2024



KAPCHEROP TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Table of Contents

1.	Acronyms and Definition of Key Terms.....	ii
2.	Key Entity Information and Management.....	iii
3.	The Council/Board of Governors.....	viii
4.	Key Management Team.....	xi
5.	Chairman’s Statement.....	xiv
6.	Report of the Chief/Senior Principal.....	xv
7.	Statement of Performance against Predetermined Objectives.....	xvi
8.	Corporate Governance Statement.....	xvii
9.	Management Discussion and Analysis.....	xxiv
10.	Environmental And Sustainability Reporting Statement.....	xxv
11.	Report of the Council/Board of Governors.....	xxvii
12.	Statement of Board of Governors Responsibilities.....	xxviii
13.	Report of the Independent Auditor (<i>Specify entity name</i>).....	xxx
14.	Statement of Financial Performance For The Year Ended 30 June 2024.....	1
15.	Statement of Financial Position As At 30 June 2024.....	3
16.	Statement of Changes in Net Asset For The Year Ended 30 June 2024.....	5
17.	Statement of Cash Flows For The Year Ended 30 June 2024.....	6
18.	Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024.....	7
19.	Notes to the Financial Statements.....	9
20.	Appendices.....	56

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)

2. Key Entity Information and Management

(a) Background information

The Kapcherop Technical and Vocational College was established under the Technical, Vocational, Education and Training TVET Act 2013 on 21 December 2016. The entity is domiciled in Kenya. The Kapcherop Technical and Vocational College is under the Ministry of Education.

(b) Principal Activities

The principal activity of Kapcherop Technical and Vocational College is found in its mission and Vision statement as below;

Vision

To be international leader in technical and vocational training.

Mission

To train competent manpower in Technical and Vocational Disciplines who are innovative in changing demands of industry and society

Core Values

Kapcherop Technical and Vocational College is an integral part of the society and the endeavours to exhibit high social and professional standards.

Core Values are fundamental values or ideas at the heart of Kapcherop Technical and Vocational College that lays the foundation on which the college operates.

Core Values shapes the culture and define the character of Kapcherop Technical and Vocational College.

The staff will conduct their duties in accordance with Teachers Service Code of Conduct and Ethics and endeavours to project a supportive corporate culture among its members.

Guided by our vision and mission we shall uphold the following values at all the times. These core values are;

- (a) Responsiveness.
- (b) Accountability
- (c) Teamwork
- (d) Integrity
- (e) Transparency

(c) Key Management

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

- Board of Governors.
- Principal.
- Management Team.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	MR.ELIAS ROTICH
2	Deputy principal Academics	MR.PAUL SEUREY
3	Registrar (s)	MR.SAMUEL LAKTABAI
4	Dean of students	MR.ISSA MABUNDE
5	Head of Finance	NICHOLAS K KOSGEI

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

BOARD OF GOVERNORS COMMITTEES

Name of the Committee	Members
Audit and Risk management committee	1. Dr Hosea Kiplagat (Chairman) 2. Ann Wanjiru Kamau (Member) 3. Kinuthia Wainaina (Member)
Academic, Human Resource & Welfare Committee	1. Rosemary Muvinya Muange member 2. Eng. William Kipkoech member 3. Michael Rugut Regional Director TVET 4. Elias Rotich (Secretary)
Finance and Infrastructure committee	1. Fromency Kosgei Cherop chair person 2. Eng. William Kipkoech member 3. Rosemary Muvinya Muange (Member) 4. Elias Rotich (Secretary)

(f) Entity Headquarters

Kapcherop Technical and Vocational College
 P.o Box 70-30204,
 Kapcherop. Kenya.
 Elgeyo Marakwet County
 Marakwet West Constituency

(g) Entity Contacts

Telephone: (254) 792638668
 E-mail: kapcheroptechnical@gmail.com
 Website: www.kapcheroptechnical.ac.ke

(h) Entity Bankers

1. -Access Bank -account no.0150100000237
-Access Bank -account no.0150130001006
-Access Bank -account no.0150100000240

(Kitale Branch)

2. Kenya Commercial Banks- 1219806722
(Eldoret Branch.)

(i) Independent Auditors




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




Key Entity Information and Management (Continued)



(j) Principal Legal Adviser

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



3.The Board of Governors

Member/ Director	Details
 <p>Joseph Yator Board Chairman.</p>	<p>Joseph Yator was born on 06.06.1962.He is a holder of Masters Business Administration degree in Strategic Management option, Bachelor’s degree in Business Administration Aviation Management option, Technical University of Mombasa higher diploma in mechanical engineering plant engineering option. Rift Valley Technical attained technical Education, Kenya Water Institute completed Pre-Service training and Kenya Polytechnic pursued technical training from 1983-1988.</p> <p>Working experience, Registrar Administration & Finance, Manager Aerodromes, Air Navigation, Meteorology and Aerodromes regulation and Enforcement in Kenya Civil Aviation Authority (KCAA) 2005-2021, Kenya Airports Authority Deputy Airport Manager JKIA 2000-2004, Manager Transport Services Hqs 1995-1999 Kenya Airport Authority. Currently board Chair Kapcherop technical and Vocational College</p>
 <p>Dr.Hosea Kiplagat Board Member</p>	<p>Dr. Hosea Kiplagat was born on 16th January 1978. He is a PhD holder in Educational Technology of University of Eldoret. Currently working as the head of Department of Technology Education in University of Eldoret. Currently board member Kapcherop technical and Vocational College</p>
 <p>Ann Wanjiru Kamau Board Member</p>	<p>Ann Wanjiru Kamau was born on 07.08.1995. She attained Bachelor Agricultural Economics and Resource Management. Currently board member Kapcherop technical and Vocational College.</p>


 <p>Rosemary M. Muange Board Member.</p>	<p>Rosemary M. Muange was born on 06.06.1972.She attained Bachelors degree human resource management from Moi University. Working experience, she was a teacher Kikima Secondary School, Quality controller Rupa Mills Eldoret, Credit Manager Providence Self He Group. Lecturer part time Kabarak University2012-2014, Part time lecturer Moi University 2014-2017, Part time lecturer Kibabii University 2016 to date and Lecturer University of Eldoret 2017 to date. Currently board member Kapcherop technical and Vocational College</p>
 <p>CPA Fromency Kosgei Cherop. Board Member.</p>	<p>CPA. Fromency Kosgei Cherop was born on 10 January 1987.He is pursuing Masters degree of Business Administration at Catholic University ongoing, Bachelors degree of business management of Moi University. He attained CPAK 2016 and senior management course from Kenya school of Government Nairobi. Working experience Chief Officer in charge of roads, transport and public works at Elgeyo Marakwet County, Economic Planning, Budgeting and Revenue officer Elgeyo Marakwet County. Currently board member Kapcherop technical and Vocational College.</p>
 <p>Eng. William Philamon Kipkoech Board Member.</p>	<p>Eng. William Philemon Kipkoech was born on 23.11.1989. He attained Transport Planning and Engineering of Edinburgh Napier University, Bachelor of Technology in Civil and Structural Engineering of Moi University. Working experience Maintenance department Road Asset & Corridor Management –Kenya National Highways Authority, Senior Engineer Roads and Special Projects Department –Kenya National Highways Authority, Rehabilitation of Mau Summit-Kericho. Currently board member Kapcherop technical and Vocational College.</p>


 <p>Kinuthia Ken Wainaina Board Member.</p>	<p>Kinuthia Ken Wainaina was born on 23 November 1989. He attained bachelor of Science (Computer Science). Working experience IT Manager St.Luke Hospital. Currently board member Kapcherop technical and Vocational College</p>
 <p>Elias Rotich Principal/Secretary BOG.</p>	<p>Elias Kimutai Rotich was born on 27th September 1976. He attained Masters Degree in Education Management and Policy Studies speciality in education planning from Moi University. He also holds bachelor’s degree in education (Mathematics and Economics) He has a wealth of experience in the field of training and administration spanning for a period of 23 years. He worked as a teacher at St. Benedics Aror Secondary School and GK Magereza Secondary School. He later moved to Eldoret National Polytechnic as a course tutor and thereafter he was deployed to Konoin Technical Training Institute as a Deputy Principal and later moved to Turkana East Technical and Vocational College as Principal. Currently he is the Principal/Secretary BOG at Kapcherop Technical and Vocational College to date.</p>


4. Key Management Team

NAME OF THE EMPLOYEE	BRIEF DESCRIPTION
 <p>Elias Rotich Principal/B O G Secretary. He attained Masters degree in Education Management And Policy studies of Moi University. He attained Bachelor's degree in Education (Mathematics and Economics) of Moi University.</p>	<ol style="list-style-type: none"> 1. He is the accounting officer of the institution. 2. In charge of day to day activities of the institution. 3. In charge of Trainers and Non – Trainers staff.
 <p>Paul Seurey Deputy Principal-Administration. He attained masters degree in physics from Kenyatta University. He also have Bachelor's degree in Education Science from Egerton University.</p>	<ol style="list-style-type: none"> 1. Assist the principal in running day to day activities of the Institution. 2. In charge of Administration and discipline. 3. Team leader of performance contracting.


Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

 <p>Eng. Samuel Kipkurui Lagat Deputy Principal-Academic He attained BSC Electrical Engineering (Technical University of Mombasa) BED (Technology education) Moi university Members:EBK(Engineers Board of Kenya)</p>	<ol style="list-style-type: none"> 1. In charge of academics in the college. 2. In charge of Teaching staff. 3. Assist the principal to discharge duties delegated to him.
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 <p>Samuel Laktabai Registrar. He attained Bachelors of Education Technology from Moi University.</p>	<ol style="list-style-type: none"> 1. Admission of Students. 2. In charge of Examination 3. In charge Marketing and performance contracting 4. In charge of Support staff
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 <p>Issa Mabunde Dean of Students. He attained Bachelors of Science degree in Agricultural Engineering from University of Nairobi.</p>	<ol style="list-style-type: none"> 1. In charge of trainee's welfare. 2. In charge of guiding and counselling of trainees. 3. In charge of career guidance.
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Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

	<ol style="list-style-type: none">1. Head of Finance Department.2. Preparation of financial policy.3. Preparation of financial statements.4. Budget preparation.5. Advising the principal on financial matters of the school
<p>Nicholas K Kosgei Finance Officer. Currently pursuing CPA 3&4 (Intermediate) He completed CPA sec II Part 1. He attained (ATC) Certificate.</p>	

Note: The Principal and the Secretary to the BoG will feature both under the ‘Board’ and ‘Management’

5. Chairman's Statement

KEY ACHIEVEMENTS

The institution made several milestones during the period under review. Here are some of the highlights:

Growth in Student Enrolment

The college population is impressively increasing and therefore more classes and workshops need to be constructed.

We appreciate the government through KUCCPS and the community for this improved student enrolment.

DEVELOPMENT AND INFRASTRUCTURE

The institution has engaged an expert to develop and mount a Learning Management System (LMS) for use in ODEL. The trainers have been trained on the use of LMS to train remotely, development of digital content and uploading the same on the LMS, registering trainees on the LMS.

We are focussing next financial year to construct building workshop to enable our trainees during practical to be done in a conducive environment.

CHALLENGES EXPERIENCED

We experienced a number of challenges during the period under review. Trainees housing is still a major challenge in this area I am requesting the ministry of education to help us in building student hostels in order to help in increasing student enrolment in our institution.

FUTURE OUTLOOK

We are looking forward to increased enrolment in numbers to over 800 students by 2025. The college requires major investment in infrastructure such as hostels, lecture halls, workshops and dining hall. We are engaging with the community stakeholders in an effort to increase housing facilities for students. We also seek to grow our collaboration linkages with various local and international development partners so that we may propel the institution to greater heights. It is our hope that we shall realize key industry linkages with major industry partners. This will see the rise in the quality and relevance of technical courses offered in the institution.



JOSEPH YATOR

BOARD CHAIRMAN.

6. Report of the Chief/Senior Principal

The College has continued to discharge its core mandate as guided by the Board of Governors, in pursuit of its vision of “A global leader in research and training in technology, engineering, innovation and entrepreneurship”

As one of the Technical and Vocational Colleges built to further the aims of the Vision 2030 and the Big Four agenda by enhancing transfer of Technical and Vocational skills and learning in Kenya, the College has continued to offer quality Education and training that meets the expectations of industry and the general populace.

Looking to the future, there is need to invest heavily in infrastructure to enable us manage the planned increase in the number of trainees reporting for training. Lecture halls and rooms is our immediate focus in the coming financial years as elucidated in our strategic plan 2020-2025.

Due to increase in trainees’ population, we managed to construct four temporary classes and construction of the building workshop will be done next financial year.



ELIAS ROTICH

PRINCIPAL



KAPCHEROP TECHNICAL AND VOCATIONAL COLLEGE.

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

7. Statement of Performance against Predetermined Objectives

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

Kapcherop Technical and Vocational College has 5 strategic pillars and objectives within current Strategic Plan for the FY 2020- FY 2024. These strategic pillars are as follows:

- Pillar 1: Mount CBET Courses
- Pillar 2: Develop ICT Infrastructure
- Pillar 3: Service delivery -Install management information system
- Pillar 4: Construct tuition block
- Pillar 5: Construct two classes

Kapcherop Technical and Vocational College develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Kapcherop Technical and Vocational College achieved its performance targets set for the FY 2023/2024 period for its 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar		Objective	Total Estimated Cost	Activities	Achievements
Pillar 1	Mount CBET Courses	Purchase Pick up and Motorbike	4,500,000	At Initiation	Not achieved
Pillar 2	Develop ICT Infrastructure	Purchase three Desktop	350,000	At Initiation	Achieved
Pillar 3	Service delivery - Install management information system	Installation of management information system	3,000,000	At Initiation	Achieved
Pillar 4	Construct tuition block	Design drawings and approval	60,000,000	At Initiation	Not Achieved
Pillar 5	Construction of four Temporary classes	Drawings and approval	1,800,000	At Initiation	Achieved

8. Corporate Governance Statement

The current Board of Governors was appointed into office on 11/12/2023 and upon appointment immediately took charge of their mandate to steer the college forward through application of best governance practices and standards.

One of the core values is effective corporate governance. There are benefits of a properly implemented effective corporate governance system as it provides stakeholders confidence. The College has built its operations on very strong corporate governance principles based on the application of high and consistent ethical standards in its relationships with all customers, employees and other stakeholders. This is consistent with the institutions core values of effective corporate governance that has led to a strong commitment to conduct business in accordance with best business practices based on principles of transparency, accountability and responsibility, monitoring compliance with relevant laws and regulations, risk management, appropriate checks and balances and the delivery to commitments to all stakeholders.

Ethical leadership and integrity, socio-environmental responsibility and determination of group strategy are the key principles that are taken into account while setting governance standards for the group. The College has kept abreast with international developments in corporate governance for the promotion of enhanced transparency, integrity and rule of law.

The Board of Governors is the representative of the stakeholders, and has the duty of validating financial results and the review of college performance, protecting assets, counselling the chief executive officer on strategy and nurturing the next generation of leaders. The board is all responsible for ensuring proper and sound corporate governance within the College. Good corporate governance is therefore a fundamental part of the culture and the business practices of the College.

BOARD CHARTER

1. PURPOSE

This charter sets out the key values and principles of the Board of governors of the Kapcherop Technical and Vocational College
It provides a concise overview of:

1. The role and responsibilities of the board of governors;
2. Powers of the board and board committees;
3. Separation of roles between the Board and Management;
4. The practice of the board in respect of corporate governance matters.

This Board Charter is subject to the provisions of the TVET Act, 2013, the PFM Act, 2012 and any applicable law or regulatory provision.

2. ROLE OF THE BOARD

- a) The Board is the ultimate decision-making body of the College.
- b) The Board is responsible for establishing sound system of internal control for the College.
- c) The Board is responsible for overseeing the corporate governance framework.
- d) The Board is responsible for: adoption of strategic plans and policies; monitoring the operational performance; establishing policies and processes that ensure integrity of the College's internal controls; and risk management.
- e) The Board is responsible for establishing clear roles and responsibilities in discharging its fiduciary and leadership functions.
- f) The Board is responsible for ensuring that management actively cultivates a culture of ethical conduct and sets the values to which the institution will adhere.
- g) The Board is responsible for ensuring that the strategies adopted promote the sustainability of the College.
- h) The Board is responsible for establishing policies and procedures for effective operations of the College.
- i) The Board shall establish appropriate staffing and remuneration policies for all employees as required.
- j) The Board shall ensure the College's compliance with all applicable laws, regulations, governance codes, guidelines and regulations and establish systems to effectively monitor and control compliance across the College.

3. MATTERS RESERVED FOR THE BOARD

- a) The Board reserves specific powers to itself and delegates other matters to the management of the College.
- b) The Board delegates its day to day powers and duties to the Principal and to the Management Team as required by law.

4. DELEGATION OF AUTHORITY

- a) Effective governance of the College requires management to be involved in all significant decisions, and to be accountable to the Board. All delegated authorities must emanate from the Board.
- b) In establishing delegated authorities, whether for financial expenditure approval, or other approvals, both quantum and individuals to be granted authority must be presented to the Board.

c) The Principal must raise with the Board any matter of significance affecting the College which requires the Board's attention, including any matters which exceed the delegated authority of the executive management.

5. COMPOSITION OF THE BOARD

a) The Board shall be appointed by the Cabinet Secretary for Education. It includes members representing Industry, Technology, Leadership, ICT, and Finance & Engineering.

b) The Board shall ensure that it comprises a diverse mix of skills and expertise critical for effective oversight on the management of the College. This shall be underscored by ensuring that each member has the requisite skill and access to the necessary tools required for their effective performance.

5.1. Appointment and Remuneration of Board members

a) The Board shall consist of members as shall be determined from time to time and subject to regulatory requirements. The Board Nominating Committee shall recommend governors for appointment by the Cabinet Secretary for Education as per regulatory requirements.

b) The Chairman of the Board shall be appointed by the Cabinet Secretary for Education.

c) The number of Board members shall be as determined by the TVET Act 2013.

f) The Board shall establish and approve formal and transparent remuneration policies and procedures for Board members.

g) Governor's remuneration package shall be adequately disclosed in the full board meeting(s) in line with the financial ability of the college as regulated by the TVET Act 2013.

6. BOARD INDEPENDENCE

To enhance independence, the Board shall avail an environment that ensures the members are critical and independent of one another so as to promote independent and objective judgment.

7. ACCESS TO INFORMATION AND INDEPENDENT ADVICE.

a) The Board may from time to time require independent legal, financial, governance or other expert advice. To facilitate this, the Board shall ensure members obtain external advice, as may be required, at the College's expense and shall invite senior management to provide technical advice as needed.

b) The Board shall establish procedures to allow its members access to relevant, accurate and complete information and professional advice in order to discharge its duties effectively.

8. BOARD TRAINING

a) Each Board member shall participate in an induction program that is tailored to effectively orient the member to the College's business, strategy, objectives, policies, procedures, operations, senior management and operating environment. The induction shall also include all the necessary information that shall be required by a member for effective performance on the Board. New Board members shall also be introduced to their fiduciary duties and responsibilities as well as any other aspects that are unique to the College.

- b) Board members should have a clear understanding of their role in corporate governance and be able to exercise sound and objective judgment about the affairs of the College.
- c) The Board shall ensure adequate Board development through continuous training to keep the Board well informed on critical information pertinent to the College and corporate governance environment.
- d) The Board shall conduct a bi-annual review to identify the training needs and facilitate up skilling as well as continuous development.

9. BOARD EVALUATION

- a) For improved Board effectiveness, the Board shall carry out an assessment of its performance the performance of the Chairperson, that of its committees, individual members and the Principal.
- b) The Board shall discuss the results of the evaluation exercise which shall also inform the Board on the training needs for its members.
- c) The Board shall disclose whether evaluation of the Board, the chairperson and the Principal has been undertaken in the annual report and financial statements of the College.

10. ROLE OF THE CHAIR AND SECRETARY

The Chair is appointed by the Cabinet Secretary for Education. The Secretary who is the Principal shall keep the Chair informed about the operations of the College.

The Role of the Chair shall be to:

- a) Provide leadership to the Board and ensure its effectiveness in all aspects of its role. The Chair shall set the Board agenda with the assistance of the Principal who is the Secretary.
- b) Facilitate the effective contribution of governors and encourage constructive relations between governors.
- c) Monitor attendance at Board meetings;
- d) To ensure that there is a robust process for Board succession and that a current pool of candidates has been identified;
- e) Develop the strategy of the College, together with the Principal, and ensure the Board is fully appraised and has the opportunity to debate the strategic direction of the College;
- f) Put in place and maintain an effective delegation of authority structure to provide effective management and control over the College's business with the assistance of the Principal;
- g) Communicate effectively with the College stakeholders. The stakeholders include, where applicable, regulators, governments, students, staff and the communities within which the College operates;
- h) Together with the Principal, to ensure that the College communicates effectively with, stakeholders, government agencies, financial institutions, the media, the public and any relevant special interest groups who have a legitimate concern or involvement with the operation of the College;
- i) Ensure that the views of the stakeholders are communicated to the Board as a whole;
- j) Chair the Full Board Meetings and all other stakeholder meetings of the College;
- k) Together with the Principal and Secretary, ensure that the College operates to the highest standards of corporate governance;

- l) Manage the training needs of each board member and ensure development;
- m) Ensure the Board undertakes continuous development in order to enhance governance practices within the Board itself and in the interest of the College.

The role of the Secretary shall be to:

- a) Ensure that the policies spelt out by the Board in the College's overall corporate strategy are implemented;
- b) Identify and recommend to the board competent officers to manage the operations of the College. In the fulfilment of this duty, the Secretary should ensure that the College's human resources policy is adhered to;
- c) Co-ordinate the operations of the various departments within the College;
- d) Establish and maintain efficient and adequate internal control systems;
- e) Design and implement the necessary management information systems in order to facilitate efficient and effective communication within the College
- f) Ensure that the Board is frequently and adequately appraised about the operations of the College through presentation of relevant board papers, which must cover, but are not limited to, the following areas:
 - i) Actual performance compared with the past performance and the budget together with explanations of all the variances.
 - ii) Capital structure and adequacy.
 - iii) Performance; in particular, problem students, courses and provisions.
 - iv) Income and expenses.
 - v) Income: sources and distribution profile.
 - vi) Report on violation of laws and remedial activities undertaken to ensure compliance with the guidelines.
 - vii) Any other duties as may be assigned by the Board from time to time.

11. DUTIES OF BOARD MEMBERS

Each Board member shall have the fiduciary duty to—

- a) Exercise a reasonable degree of care, skill and diligence;
- b) Act in good faith and in the best interests of the College and not for any other purpose;
- c) Act honestly at all times and must not place themselves in a situation where personal interests conflict with those of the College;
- d) Exercise independent judgment at all times;
- e) Devote sufficient time to carry out their responsibilities and enhance their skills;
- f) Promote and protect the image of the College;
- g) Owe their duty to the College and not to the nominating authority; and
- h) Owe the College a duty to hold in confidence all information available to them by virtue of their position as a Board member.

12. THE SECRETARY

The Principal appointed by the Public Service Commission is the Secretary to the Board and is charged with the following responsibilities:

- a) To provide guidance to the Board on its duties and responsibilities and on other matters of governance;
- b) To ensure that the Board complies with its obligations under the law and the TVET Act 2013 and all other relevant laws.
- c) To assist the Chairperson of the Board in organizing the Boards activities;
- d) To assist the Board with evaluation exercise;
- e) To coordinate the governance audit process;
- f) To maintain and update the register of conflict of interest;
- g) To facilitate effective communication between the organization and the stakeholders; and
- h) To carry out any other duties as may be assigned by the Board from time to time.

13. BOARD COMMITTEES

- a) The Board may discharge any of its responsibilities through Board Committees appointed from amongst its members subject to the applicable laws.
- b) The Board has established the following committees:
 1. Audit & Risk Management Committee
 2. Finance & Human Resource Committee
 3. Academics & Research Committee
- c) The Board shall appoint the Chairpersons of the Committees and shall approve appropriate terms of reference for the Committees.
- d) Reporting obligations:
 - i) The Committees shall report to the Board on matters referred to it by the Board and on the proceedings following each meeting of the committee. The report shall include findings, matters identified for specific recommendation to the Board, action points and any other issues as deemed appropriate.
 - ii) The committees shall liaise with each other in so far as it is expedient to effectively perform their different roles.
- e) The Board remains collectively responsible for the decisions of any committee and shall review the effectiveness and performance of committees annually.
- f) The Board may be required to establish other committees from time to time.

14. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

- a) All Board members are required to:
 - i) Declare any interests that may give rise to potential or perceived conflict e.g. business relationships or other circumstances that could interfere with exercise of objective judgment;
 - ii) Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting. The conflicted Board member shall not participate further in the discussion of

that subject, nor vote on it. This is subject at all times to the provisions of the guiding laws rules & regulations of the College.

- b) The Board shall evaluate all potential or perceived conflict of interest as declared and shall approve such transactions with the College as may be appropriate.
- c) A register of declared Conflicts of Interest shall be maintained by the Secretary.

15. CODE OF CONDUCT

- a) The Board shall adopt a Code of Conduct for all governors and employees that addresses, among other things, conflict of interest and which shall be reviewed and updated regularly. A summary of this code shall be made available on the College's website.
- b) The College shall adopt effective whistle blowing mechanisms that encourage staff and other stakeholders to bring out information helpful in enforcing good corporate governance practices.
- c) The Board shall also adopt the Public Service Code of Conduct that will apply to all governors and staff.

16. RELATIONS WITH STAKEHOLDERS

- a) The Board shall recognize, respect and protect the rights of stakeholders and shall ensure equitable treatment of all stakeholders.
- b) The Board shall provide stakeholders with information as is required under the applicable law and shall establish mechanisms to ensure effective communication with stakeholders.
- c) The Board shall have a stakeholder-inclusive approach and will be responsible for giving due consideration to the legitimate interests and expectations of the College's stakeholders in its deliberations, decisions and actions.
- d) The Board shall establish effective communication with the College's stakeholders including the media as may be appropriate.

17. TERMS OF REFERENCE

The Board shall adopt its detailed Terms of Reference which shall be reviewed periodically.

9. Management Discussion and Analysis

The college operational and financial performance

The following table shows summary of total revenues collected and total expenditure for the year ending 30th June 2024.

DESCRIPTION	REVENUES	EXPENSES
Transfer from National Government	9,715,445	-
Rendering of Service	5,80,9670	-
Use of Goods	-	11,745,620
Personal Emoluments	-	4,815,404
Board Remuneration	-	601,000
Repairs and Maintenance	-	24,600
TOTAL	15,525,115	17,186,624

College compliance with statutory requirement

Kapcherop Technical and Vocational College financial statements have been prepared in accordance with Section 81(3) of the Public Finance Management Act of 2012. The college complied with statutory obligation of its employees from time to time.

Total exposure

The college going concern is not in doubt, and has no on-going or potential court cases that may expose it into potential contingent liability. Further the institution has complied with statutory obligation and requirements. Further, the financial statements have been prepared on a going concern basis and management does not have a significant going concern about the entity's ability to continue as a going concern.

Reporting framework

The college first time adoption of International Public sector accounting standards (IPSAS) Accrual in the financial year 2017-2018.

The presentation of financial statements under review is in conformity with International Public sector accounting standards (IPSAS) 1 on the presentation of financial statements. Additionally, each material class of similar items has been presented separately in the financial statements while dissimilar items have been aggregated only if they are immaterial on an individual basis International Public sector accounting standard (IPSAS 1(13))

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

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

Sustainability strategy and profile

Kapcherop Technical and Vocational College has put in place quality assurance mechanisms in the education sector strategy. This was done following presidential directive to TVET Institutions.

Sustainability reforms in the administration of National Examination strategy, Examination policies were adopted and staff trained and sensitized on examination policies.

Increase Enrolment strategy was also adopted through performing marketing activities within the county and in different parts of the country

Environmental performance

In our strategic plan, one of our aims is to come up with policies that guide our operations. We are in the process of developing the policies that will guide how the College is to maintain the physical environment we operate in. Currently we are utilising targets we set in our performance contract to guide our actions. We set and surpassed our target of planting and maintaining 100 tree seedlings within the college compound annually.

Employee welfare

In our strategic plan, one of our aims is to come up with Human Resource policies that guide our employee's welfare. We are on the process of developing policies that will guide how the College is to recruit and maintain staff, the appraisal of performance, career progression paths and reward systems. We are in compliance with the Occupational Safety and Health Act of 2007.

Market place practices-

Being a public Institution, there is the perception that there is a lot of resources to be utilised. The reality is far from that and the resources we have are carefully managed to have the most impact. To this end we carry out the following exercises to get the best partners for continued provision of goods and services.

a) Supplier prequalification

We are guided by the PPOA 2015 and the PPRA guidelines on how to identify suppliers. This is an open and public process that invites all interested parties and has protections built within the process to carve out opportunities for youth, women and people with disabilities.

- b) With our prequalified suppliers, we endeavour to meet our obligations on time so that we may be able to sustain relations for future partnerships.
- c) Being a national Government entity, the college makes a nationwide advert through use of the local administration notice boards, and our website to market opportunities in the College.

Corporate Social Responsibility / Community Engagements

Kapcherop Technical and Vocational College was founded for public benefit, to promote Technical Education and Knowledge and provide an institution open for all, irrespective of race, Creed or political belief. It is pioneering institution of higher learning in making technical Education available to the communities living in Elgeyo-Marakwet county and Kenya at large. During the financial year ended 30th June 2024, Kapcherop Technical and Vocational College did engage in corporate social responsibility by cleaning Kapcherop centre and market and its environs. The college is committed to implementing community engagements going forward.

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

11. Report of the Board of Governors

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Kapcherop Technical and Vocational College affairs.

Principal activities

The principal activities of the entity are training.

Results

The results of the entity for the year ended June 30th 2024 are set out on page 1- 8

Board of Governors

The members of the Board who served during the year are shown on page viii-x.

Auditors

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

By Order of the Board



.....
Elias Rotich
Secretary of the Board
Kapcherop Technical And Vocational College.
Date: 24 March 2025



12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Technical Vocational Education and Training (TVET) Act, 2013 require the board members to prepare financial statements in respect of Kapcherop Technical and Vocational College, which give a true and fair view of the state of affairs of the entity at the end of the financial year and the operating results of the entity for that year. The Board members are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Board members are also responsible for safeguarding the assets of the entity.

The Board are responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on 30 June 2024. 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 entity;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the entity;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The board members accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 and Technical Vocational Education and Training (TVET) Act, 2013. The board members are of the opinion that the College's financial statements give a true and fair view of the state of Kapcherop Technical College transactions during the financial year ended 30 June 2021 and of the entity's financial position as at that date. The board, further confirm the completeness of the accounting records maintained for the entity, which have

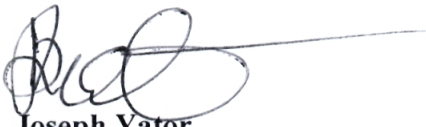
Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements.

Kapcherop Technical and Vocational College financial statements were approved by the Board on 20th Sept 2024 and signed on its behalf by the Chairman of the Board and the Principal.



Joseph Yator

Chairman of the Board



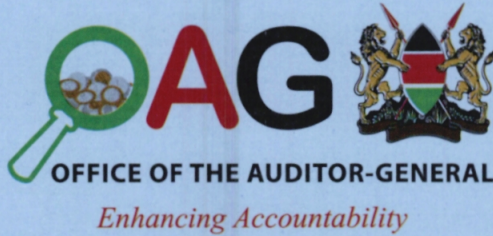
Elias Rotich

Principal/Secretary to the Board



REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON AUDIT OF KAPCHEROP TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kapcherop Technical and Vocational College set out on pages 1 to 56, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccurate Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.982,477 as disclosed in Note 26 of the financial statements. Included in the balance is an amount of Kshs.765,804 relating to one of the bank accounts which differs with cashbook balance of Kshs.555,877 resulting in an unreconciled variance of Kshs.209,927

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.982,477 could not be confirmed.

2. Unsupported Long-outstanding Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.5,978,313 as disclosed in Note 27 to the financial statements. Included in the balance is an amount of Kshs.2,826,453 representing student debtors which has been long outstanding over a period of one year as per the ageing analysis. Further, the supporting schedule for ageing analysis did not include invoice numbers and dates.

In the circumstances, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.2,826,453 could not be confirmed.

3. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.95,279 as disclosed in Note 32 to the financial statements. However, the College did not maintain an updated asset register for both donated and acquired assets. Further, the College owned land, building, donated plants and equipment including motor vehicles of unknown values which were not disclosed in the financial statements.

In addition, the land title deeds and motor vehicle log books were not provided for audit.

In the circumstances, the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.95,279 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kapcherop 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts indicates that the College received revenue amounting to Kshs.15,525,115 against a budget of Kshs.54,402,150 resulting to unrealized revenue of Kshs.38,877,035 or 70% of the budget. Similarly, the College had an approved expenditure budget of Kshs.54,402,150 and actual expenditure

of Kshs.19,298,590 resulting in under-absorption of Kshs.35,103,560 or 65% of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page iii to xxix which comprise of Key Information and Management, The Council/Board of Governors, Key Management Team, Chairman's Statement, Report of the Chief/Senior Principal, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Council/Board of Governors and Statement of Board of Governors/ Council'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 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 the Law on Ethnic Composition of Staff

Review of the master payrolls revealed that out of the forty-three (43) College employees, thirty-six (36) were from the dominant ethnic community making 89% of the staff. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act 2008 which stipulates that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI) 4000. The Standard requires 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 THE 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 Internal Audit Function and Audit Committee

The audit revealed that the Management had not established an internal audit department to carry out internal audit functions. It was also noted that the College did not have an Audit Committee of the Board.

In the circumstances, the effectiveness of the internal controls and oversight services in the College could not be confirmed.

2. Lack of Disaster Recovery Plan

The College does not have a disaster recovery plan or business continuity plan to ensure that the College recovers its functionality in case of an unplanned incident or disaster. The College is exposed to possible loss in case of a disaster

In the circumstances, the preparedness of the College in mitigating loss in case of disasters could not be confirmed.

3. Ineffective Board

Review of documents revealed that the Board held only one (1) full Board meeting within the financial year contrary to the provisions of a minimum of four and a maximum of six for each financial year in law. Further, the Board failed to prepare an annual Board ALMANAC and submit to State Corporations Advisory Committee (SCAC) detailing the organization's annual work plan, statutory obligations of the Board and available budget.

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

4. Lack of Approved Staff Establishment

The College operated without an authorized staff establishment to guide on staffing, posting, training, skills retention, and succession plans. It was therefore not possible to determine the criteria used by the Board to fill positions within the College.

In the circumstances, in the absence of staff establishment and recruitment plans, the College may not effectively plan for its staffing needs.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) 2315 and 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 the 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 sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the College or 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 are in compliance 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 for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 April, 2025

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024


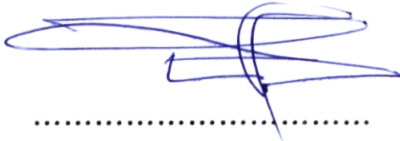

14. Statement of Financial Performance For The Year Ended 30 June 2024

	Notes	30 TH June 2024	30 TH June 2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	8,215,445	13,920,000
Recurrent	6	1500,000	500,000
Transfers from other levels of government	8	0	0
Public contributions and donations	9	0	0
		9,715,445	14,420,000
Revenue from Exchange transactions			
Rendering of services- fees from students	10	13,119,860	12,258,880
Sale of goods	11	-	336,000
Rental revenue from facilities and equipment	12	-	-
Finance income	13	-	-
Miscellaneous income	14	-	-
Revenue from Exchange transactions		13,119,860	12,594,880
Total Revenue		22,835,305	27,014,880
Expenses			
Use of goods and services	15	11,745,620	10,945,761
Employee costs	16	4,815,404	4,654,720
Board /Council Expenses	17	601,000	448,000
Depreciation and amortization expense	18	2,111,966	2,111,966
Repairs and maintenance	19	24,600	234,552
Contracted services	20	0	0
Grants and subsidies	21	0	0
Finance costs	22	0	0
Total Expenses		19,298,590	18,394,999
Other Gains/(Losses)			
Gain on sale of assets	23	0	0
Gain/ Loss on fair value of investments	24	0	0
Impairment loss	25	0	0
Total Other Gains/(Losses)		0	0
Net surplus/(deficit) for the year		3,536,716	8,619,881

(The notes set out on pages 9 to 55 form an integral part of the Annual Financial Statements).

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

The Financial Statements set out on pages 1 to 8 were signed by:

		
Chairman of Council/Board	Principal	Finance Officer
Date 24/03/25	Date 24/03/25	Date 24/3/25

Comparative FY refers to the financial year preceding the current year.



Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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

Description	Notes	30 TH June 2024	30 TH June 2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	982,477	2,643,986
Current portion of receivables from exchange transactions	27(a)	16,586,580	9,279,095
Receivables from non-exchange transactions	28	17,551,250	17,551,250
Inventories	29	160,083.75	0
Investments in financial assets	30	0	0
Prepayments	31	0	0
Total Current Assets		35,280,391	29,474,331
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	-	-
Investments	30	-	-
Property, plant, and equipment	32	95,279	2,207,245
Intangible assets	33	-	-
Investment property	34	-	-
Biological Assets	35	-	-
Total Non-Current Assets		95,279	2,207,245
Total Assets (A)		35,375,670	31,681,576
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36	687,075	1,457,714
Refundable deposits from customers	37	2,023,664	1,095,647
Current provisions	38	-	-
Finance lease obligation	39	-	-
Deferred income	40	-	-
Employee benefit obligation	41	-	-
Payments received in advance	42	-	-
Current portion of borrowings	43	-	-

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Description	Notes	30 TH June 2024	30 TH June 2023
		Kshs	Kshs
Social Benefits	46	-	-
Total Current Liabilities		2,710,739	2,553,361
Non-Current Liabilities			
Finance lease obligation	39	-	-
Deferred income	40	-	-
Non-Current Employee Benefit Obligation	41	-	-
Non- Current Borrowings	43	-	-
Non-Current Provisions	44	-	-
Service Concession Liability	45	-	-
Social benefits	46	-	-
Total non- current liabilities			
Total Liabilities (B)		2,710,739	2,553,361
Net Assets (A-B)		32,664,931	29,128,215
Represented By:			
Accumulated fund		32,664,931	29,128,215
Net Assets		32,664,931	29,128,215

The Financial Statements set out on pages 1 to 8 were signed by:

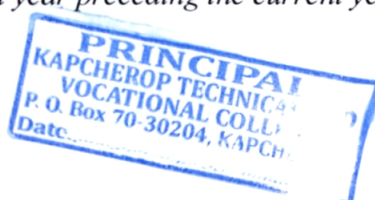




Chairman of Council/Board Principal Finance Officer

Date 24/03/25 **Date** 24/03/25 **Date** 24/3/25

Comparative FY refers to the financial year preceding the current year.



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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2022	-	20,508,334	-	20,508,334
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	8,619,881	-	8,619,881
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	-	29,128,215	-	29,128,215
At July 1, 2023	-	29,128,215	-	29,128,215
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	3,536,716	-	3,536,716
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	-	32,664,931	-	32,664,931

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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

Description		30 TH June 2024	30 TH June 2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	9,715,445	6,693,000
Grants from donors and development partners	7	-	-
Transfers from other levels of government	8	-	-
Public contributions and donations	9	-	-
Rendering of services- fees from students	10	5,809,670	5,953,739
Sale of goods	11	-	336,000
Rental revenue from facilities and equipment	12	-	-
Finance income	13	-	-
Miscellaneous income	14	-	-
Total Receipts		15,525,115	12,982,739
Payments			
Use of goods and services	15	11,745,620	10,945,761
Employee costs	16	4,815,404	4,654,720
Board /Council Expenses	17	601,000	448,000
Repairs and maintenance	19	24,600	234,552
Contracted services	20	0	0
Grants and subsidies	21	0	0
Finance cost	22	0	0
Total Payments		17,186,624	16,283,033
Net Cash Flows from operating activities		(1,661,509)	(3,300,294)
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets			-
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities			-
Cash flows from financing activities		(1,661,509)	(3,300,294)
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		(1,661,509)	(3,300,294)
Cash and Cash equivalents at 1 JULY 2023	26	2,643,986	5,944,280
Cash and Cash equivalents at 30 JUNE 2024	26	982,477	2,643,986

(PSASB has prescribed the direct method of cashflow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	18,000,000	-	18,000,000	8,215,445	9,784,554.60	46%
Recurrent grants	-	-	-	1500,000	-	-%
Transfers from other levels of government	-	-	-	-	-	-%
Public contributions and donations	-	-	-	-	-	-%
Rendering of services- fees from students	15,852,000	-	15,852,000	5,809,670	10,042,330	37%
Sale of goods-IGUs	200,000	-	200,000	-	200,000	-%
Rental revenue from facilities and equipment	-	-	-	-	-	-%
Finance income	-	-	-	-	-	-%
Development grants	20,350,150	-	20,350,150	-	20,350,150	-%
Total Income	54,402,150	-	54,402,150	15,525,115	38,877,034.60	29%
Expenses						
Use of goods and services	25,331,000	-	25,331,000	11,745,620	13,585,380	46%
Employee costs	6,480,000	-	6,480,000	4,816,404	1,664,596	74%
Board /Council Expenses	1,254,000	-	1,254,000	601,000	653,000	48%
Repairs and maintenance	987,000	-	987,000	24,600	962,400	2.50%
Depreciation & amortization	-	-	-	2,111,966	2,111,966	-%
Grants and subsidies-development grants	20,350,150	-	20,350,150	0	20,350,150	%
Finance cost	-	-	-	0	0	%
Total Expenditure	54,402,150	-	54,402,150	19,298,590	35,103,560.5	35%
Surplus For the Period	-	-	-	3,773,475	3,773,475	%
Capital Expenditure	20,350,150	-	20,350,150		20,350,150	%

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

(Budget notes)

1. Over-budgeting of transfer from government grants.
2. Over budgeting from student enrolment.
3. Under-spending in use of goods due to unrealized budget.

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

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

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

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

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

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></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 that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii. Early adoption of standards

The Kapcherop Technical and Vocational College did not early adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on **24 June 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities Statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

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

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

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

s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

6. Transfers from other National Government entities

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	8,215,445	13,920,000
Operational Grant	1,500,000	500,000
Development grants	-	-
Other Grants-government scholarship	-	-
Total unconditional Grants	9,715,445	14,420,000
Conditional Grants amortised/ recognised in revenue		
Library Grant	-	-
Hostels Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
Learning Facilities Grant	-	-
Other Organizational Grants	-	-
Total Government Grants and Subsidies	9,715,445	14,420,000

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative 30 TH JUNE 2023
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of MOE	9,715,445	-	-	9,715,445	14,420,000
XX Ministry	-	-	-	-	-
Total	9,715,445	-	-	9,715,445	14,420,000

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry.)

**Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached.*

(NB: Total of column 1 should tie to the first part of note 6 on unconditional grants)

The details of the reconciliation have been included under appendix xxx

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

7. Grants from Donors and Development Partners

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Donations transferred to revenue-conditions met	-	-
Other Grants (specify)	-	-
Total Grants from Development Partners	-	-

(a) Reconciliations of grants from donors and development partners

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Yet To Be Met - Remain Liabilities	-	-

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Transfer from County XX	-	-
Transfer from XX University	-	-
Transfer from XX Institute	-	-
Total Transfers	-	-

9. Public Contributions and Donations

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

(Provide brief explanation for this revenue)

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

10. Rendering of Services

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Tuition Fees	7,427,069	5,647,080
Activity Fees	778,774	617,941
Industrial Attachment Fees	407,409	260,734
Personal emoluments	2,511,423	1,998,966
EWC	246,490	657,486
LT&T	880,161	499,524
RMI	382,527	303,756
Board allowances	486,007	434,557
Development projects	0	1,838,836
Total Revenue from The Rendering of Services	13,119,860	12,258,880

(Provide brief explanation for this revenue)

11. Sale of Goods

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	-	336,000
Cafeteria sales	-	-
Other sales (specify)	-	-
Total Revenue from Sale of Goods	-	336,000

(Provide brief explanation for this revenue)

12. Rental revenue from facilities and equipment

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Hire of Facilities and Equipment	-	-
Contingent Rentals	-	-
Operating Lease Revenue	-	-
Others (specify)	-	-
Total	-	-

*(Provide brief explanation for this revenue. *Contingent rentals include hire grounds, institutional facilities like halls, kitchen etc.)*

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

13. Finance Income

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Others (<i>specify</i>)	-	-
Total finance income	-	-

(Provide brief explanation for this revenue.)

14. Miscellaneous Income

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Bad debts recovered	-	-
Income written back	-	-
Others (<i>specify</i>)	-	-
Total other income	-	-

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified.)

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

15. Use of Goods and Services

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Activity	275,910	402,240
Administration costs	2,193,402	1,439,185
Airtime	21,320	53,150
Capacity building	122,934	-
Cleaning materials	84,966	1,500
Electricity	294,914	189,234
Farming costs	157,250	201,800
Industrial attachment	275,763	168,617
Internet subscription	140,000	302,042
KATTI expenses	76,435	20,800
Kitchen expenses	162,390	227,430
Knec examination	952,594	1,144,610
Maintenance of MIS system	-	251,940
Marketing	793,480	305,410
Performance Contracting	223,000	534,700
Petrol and Allied Products	1,000	109,948
Refund of money wrongly banked	100,000	185,000
Stationaries	57,935	162,189
Student union	-	1,186
Training Materials	1,521,628	2,974,245
Local Transport & Travelling	3,758,770	2,229,610
TVET Fairs	209,400	-
Bank charges	45,529	30,925
Medical	-	10,000
Gas refilling	16,000	-
KUCCPS	58,500	-
Printing services	79,000	-
Mavuno	10,000	-
Strategic plan	40,000	-
Student Ids	5,500	-
waterbill	68,000	-
Total good and services	11,745,620.	10,945,761

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

16. Employee Costs

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Salaries and wages	4,815,404	4,654,720
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Social contributions	-	-
Employee Costs	4,815,404	4,654,720

17. Board/Council Expenses

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Chairman's Honoraria	-	-
Directors Emoluments	601,000	448,000
Other Allowances	-	-
Other Board/Council Expenses	-	-
Total	601,000	448,000

18. Depreciation and Amortization expense

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Property, plant and equipment	2,111,966	2,111,966
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization	2,111,966	2,111,966

19. Repairs and Maintenance

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Property		
Investment property – earning rentals		
Equipment and machinery		
General repairs	24,600	234,552
Furniture and fittings		
Computers and accessories		
Total Repairs and Maintenance	24,600	234,552

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

20. Contracted Services

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Other (specify)	-	-
Total contracted services	-	-

21. Grants and Subsidies

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefits expenses	-	-
Community Trust	-	-
Sporting Bodies	-	-
Others (<i>specify</i>)	-	-
Total Grants and Subsidies	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

22. Finance Costs

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Bank charges	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount from lease liabilities	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Others (specify)	-	-
Total Finance Costs	-	-

*(*Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

23. Gain On Sale of Assets

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

24. Gain/(loss) on Fair Value Investments

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Fair value on equity investments	-	-
Fair value arising from investment property	-	-
Fair value arising from biological assets	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

25. Impairment Loss

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

26. Cash and Cash Equivalentents

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Current Account	982,477	2,643,986
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalentents	982,477	2,643,986

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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

Financial Institution	Account number	30TH June 2024 Kshs	30TH June 2023 Kshs
a) Current Account			
Kenya Commercial Bank	1219806722	202,843.15	2,036,018
Access bank –fees account	0150100000237	765,803.80	606,138.45
Access bank –cdf account	0150130001006	13,733.00	1,733
Access bank –development account	0150100000240	97.06	97.06
Grand Total		982,477	2,643,986

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Current Receivables	16,586,580	9,279,095
Student Debtors	-	-
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	16,586,580	9,279,095

27 (b) Long- term Receivables from Exchange transactions

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
Total	-	-
Current Portion Transferred To Current Receivables	-	-
Total Non-Current Receivables	-	-
Total Receivables	-	-

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	30 TH June 2024		30 TH June 2023	
	Kshs	% of total	Kshs	% of total
	Current FY		Comparative FY	
Less than 1 year	3,151,860	-	-	-
Between 1- 2 years	3,313,990	-	-	-
Between 2-3 years	620,590	-	-	-
Over 3 years	9,500,140	-	-	-
Total (a+b)	16,586,580	-	-	-

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

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
At the beginning of the year	-	-
Provisions during the year	-	-
Recovered during the year	-	-
Write offs during the year	-	-
At the end of the year	-	-

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

28. Receivables from Non-Exchange transactions

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Current Receivables		
Capitation Grants*	17,551,250	17,551,250
Transfers from Other Govt. entities		
Undisbursed Donor Funds		
Other Debtors (Non-Exchange Transactions)		
Less: Impairment Allowance		
Total Current Receivables	17,551,250	17,551,250

(*Receivables on capitation grants are recognised for monies received after year end but relating to the year under review).

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

Description	30 TH June 2024			30 TH June 2023	
	Kshs			Kshs	
	Current 2024	2023	% of the total	Compa rative 2022-2023	% of the total
Less than 1 year	2,741,659		-	-	-
Between 1- 2 years	2,872,214		-	-	-
Between 2-3 years	3,263,880		-	-	-
Over 3 years	8,673,497		-	-	-
Total	17,551,250		-	-	-

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

29. Inventories

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Consumable stores	160,084	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning Materials stores	-	-
Catering stores	-	-
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	160,084	-

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

30. Investments in financial assets

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks	-	-
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (Specify)	-	-
Equity/ Shares in Company Xxx	-	-
Sub- Total	-	-
Grand Total	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes the interest rates, maturity dates, valuation methodology, and impairment of these investments.

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	30 TH June 2024	30 TH June 2023
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

31. Prepayments

Description	30 TH June 2024	30 TH June 2023
	Kshs.	Kshs.
Fees paid in advance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments	-	-
Total	-	-

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

32. Property, Plant and Equipment

Assets	Land	Buildings	Motor vehicles	Computers	Furniture and equipment	Text Books	Total
Dep Rates		0.025	0.250	0.330	0.125	0.25	
Cost/valuation							
As at 1 July 2019	-	-	-	128,000.00	2,343,964.00		2,471,964.00
Additions		-	-		1,422,523.00		1,422,523.00
As at 30 June 2020	-	-	-	128,000.00	3,766,487.00	-	3,894,487.00
As at 1 July 2020	-	-	-	128,000.00	3,766,487.00	-	3,894,487.00
Additions		-	-	3,786,574.00	537,262		4,323,836.00
As at 30 June 2021	-	-	-	3,914,574.00	4,303,749.00	-	8,218,323.00
As at 1st July 2021		-	-	3,914,574.00	4,303,749.00	-	8,218,323.00
Additions		-	-	591,000.00		348,630.00	939,630.00
As at 30 June 2022		-	-	4,505,574.00	4,303,749.00	348,630.00	9,157,953.00
As at 1st July 2022		-	-	4,505,574.00	4,303,749.00	348,630.00	9,157,953.00
Additions		-	-				
As at 30 June 2023		-	-	4,505,574.00	4,303,749.00	348,630.00	9,157,953.00
As at 1st July 2023		-	-	4,505,574.00	4,303,749.00	348,630.00	9,157,953.00
Additions		-	-	-	-	-	-
As at 30 June 2024		-	-	4,505,574.00	4,303,749.00	348,630.00	9,157,953.00
		-	-				
Depreciation		-	-				
As at 1 July 2019	-	-	-	42,240.00	341,708.00	-	383,948.00
Depreciation	-	-	-	42,240.00	470,810.88	-	513,050.88
As at 30 June 2020	-	-	-	84,480.00	812,518.88	-	896,998.88
As at 1 July 2020	-	-	-	84,480.00	812,518.88	-	896,998.88
Depreciation	-	-	-	1,291,809.42	537,968.63	-	1,829,778.05

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

As at 30 June 2021	-	-	-	1,376,289.42	1,350,487.50	-	2,726,776.92
As at 1st July 2021		-	-	1,376,289.42	1,350,487.50	-	2,726,776.92
Depreciation		-	-	1,486,839.42	537,968.63	87,157.50	2,111,965.55
As at 30 June 2022		-	-	2,863,128.84	1,888,456.13	87,157.50	4,838,742.47
As at 1st July 2022		-	-	2,863,128.84	1,888,456.13	87,157.50	4,838,742.47
Depreciation		-	-	1,486,839.42	537,968.63	87,157.50	2,111,965.55
As at 30 June 2023		-	-	4,349,968.26	2,426,424.76	174,315.00	6,950,708.02
As at 1st July 2023		-	-	4,349,968.26	2,426,424.76	174,315.00	6,950,708.02
Depreciation		-	-	1,486,839.42	537,968.63	87,157.50	2,111,965.55
As at 30 June 2024		-	-	5,836,807.68	2,964,393.39	261,472.50	9,062,673.57
NBK Value							
As at 30 June 2024	-	-	-	-1,331,233.68	1,339,355.61	87,157.50	95,279.43
As at 30 June 2023		-	-	155,605.74	1,877,324.24	174,315.00	2,207,245

[Include Brief Description Of WIP As A Footer]

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Notes to the Financial Statements (Continued)

Valuation

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

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

33. Intangible Assets

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Additions–internal development	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

34. Investment Property

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain or loss on fair value- if fair value is elected	-	-
At end of the year	-	-

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

35. Biological Assets

	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Cattle	-	-
Trees	-	-
Others (Specify)	-	-
Total	-	-

36. Trade and Other Payables

Description	30 TH June 2024		30 TH June 2023	
	Kshs		Kshs	
Trade payables	687,075		1,457,714	
Fees paid in advance				
Salary deductions	-		-	
Third-Party Payments	-		-	
Other Payables	-		-	
Total Trade and Other Payables	687,075		1,457,714	
	Current 2023-2024	% of the Total	Comparative 2022-2023	% of the Total
Ageing analysis:				
Under one year	-	%	-	-

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

1-2 years	-	%	-	-
2-3 years	-	%	-	-
Over 3 years	-	%	-	-
Total (to tie to totals above)	-	%	-	-

37. Fees Paid in advance

Description	30 TH June 2024		30 TH June 2023	
	Kshs		Kshs	
Fees paid in advance	2,023,664		1,095,647	
Caution money	-		-	
Other refundable deposits	-		-	
Total Deposits	2,023,664		1,095,647	
Ageing analysis:	Current 2023-2024	% of the Total	Comparative 2022-2023	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (to tie to totals deposits above)	-	%	-	%

38. Current Provisions

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

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

39. Finance Lease Obligation

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

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

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

40. Deferred Income

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

The deferred income movement is as follows:

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

Include columns as needed for the various sources of income deferred.

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	FY 2023-2024	FY 2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

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

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

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (Post- Retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

Recognition of Retirement Benefit Asset/ Liability

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

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (<i>specify</i>)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

- b) **Amounts recognised in the Statement of Financial Position**

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others (<i>specify</i>)	-	-
Net asset or liability arising from defined benefit obligation	-	-

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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

42. Payments received in advance.

Description	30 TH June 2024		30 TH June 2023	
	Kshs		Kshs	
Fees received in advance	-		-	
Others (Specify)				
Total	-		-	
	Current	% of the	Compar	% of the
Ageing analysis:	2023-	Total	ative	Total
	2024		2022-	
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

43. Borrowings

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the year	-	-

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

43 a) Analysis of External and Domestic Borrowings

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	-	-
Sterling pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from zzz organization'	-	-
Domestic borrowings	-	-
Kenya shilling loan	-	-
Total balance at end of the year	-	-

43 b) Breakdown of Long and Short-Term Borrowings

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

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

44. Non-Current Provisions

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

(NB: The current portion deducted in this note should tie to line on current portion transferred from non- current provisions under note 38)

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

45. Service Concession Arrangements

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

46. Social Benefit Liabilities

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with disabilities benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

47. Cash generated from operations.

Surplus for the year before tax	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Adjusted for:		
Depreciation	-	-
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
Working Capital Adjustments	-	-
Increase in Inventory	-	-
Increase in Receivables	-	-
Increase in Deferred Income	-	-
Increase in Payables	-	-
Increase in Payments received in advance	-	-
Net Cash Flow from Operating Activities	-	-

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

48. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully perform ing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023 (previous year)				
Receivables from exchange transactions	9,279,095	-	-	-
Receivables from non-exchange transactions	17,551,250	-	-	-
Bank balances	2,643,986	-	-	-
Total	29,474,331	-	-	-
At 30 June 2024 (current year)				
Receivables from exchange transactions	16,586,580	-	-	-
Receivables from non-exchange transactions	17,551,250	-	-	-
Bank balances	982,477	-	-	-
Total	35,120,307	-	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

Financial risk management (continued)

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

The entity has significant concentration of credit risk on amounts due from xxxx

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023 (previous year)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2024 (current year)	-	-	-	-
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

(iii) Market risk

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an 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 entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-	-	-
Trade and Other Payables	-	-	-
Borrowings	-	-	-
	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

Foreign currency sensitivity analysis

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20XX: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20XX – Kshs xxx)

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

iv) Capital Risk Management

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

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	-	-

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

49. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Kapcherop Technical And Vocational College, holding 100% of the college equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external.

Other related parties include:

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

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

Description	30 TH June 2024	30 TH June 2023
	Kshs	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 (<i>specify</i>)	-	-
Total	-	-
B) Purchases from related parties		
Purchases of electricity from kplc	294,914	189,234
Purchase of water from govt service providers	68,000	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies		-
Others (<i>specify</i>)		-
Total	362,914	189,234
b) Grants /Transfers from the Government		
Grants from National Govt	9,715,445	14,420,000
Grants from County Government		
Donations in Kind		
Total	9,715,445	14,420,000
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for Employees	4,815,404	4,654,720
Payments for Goods and Services	11,745,620	10,945,761
Total	16,561,024	15,600,481

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
d) Key Management Compensation		
Directors' emoluments		
Compensation to Key Management	601,000	448,000
Total	601,000	448,000

50. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

51. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Contingent Liabilities		
Court Case Xxx against (<i>The Entity</i>)	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

(Give details)

52. Capital Commitments

Capital Commitments	30 TH June 2024	30 TH June 2023
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the entity but at the end of the year had not been contracted or those already contracted for and ongoing)

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

53. Events After The Reporting Period

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

54. Ultimate And Holding Entity

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

55. Currency

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

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

20. Appendices

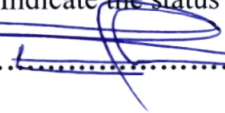
Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

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 entity responsible for the implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury.

.....

Elias Rotich
Accounting Officer
Kapcherop Technical & Vocational College
Date.



Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Appendix II: Projects Implemented by Kapcherop Technical and Vocational College

Projects

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

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

Status of Projects completion

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

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

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Appendix III- Inter-Entity Confirmation Letter



KAPCHEROP TECHNICAL & VOCATIONAL COLLEGE

P.O Box 70-30204, Kapcherop

Phone No. 0792 638 668


Email: kapcheroptechnical@gmail.com

The Ministry of Education Technical and Vocational College wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Kapcherop Technical And Vocational College as at 30 th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Capitation (B)	Total (C)=(A+B)	Remarks
	02/11/2023	500,000	1,606,500	2,106,500	
	18/01/2024	500,000	1,522,500	2,022,500	
	05/02/2024	500,000	1,740,000	2,240,000	
	27/02/2024	-	2,123,172.4	2,123,172.4	
	06/03/2024	-	194,848	194,848	
	31/05/2024	-	1,028,425	1,028,425	
	05/06/2024	-	0	0	
Total		1,500,000	8,215,445.4	9,715,445.4	

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

Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

<p>Head of Accounts Department - Disbursing Entity:</p> <p>Name Sign Date</p> <p>Head of Accounts Department - Beneficiary Entity:</p> <p>Name .NICHOLAS K KOSGEI. Sign  Date.24/03/2025</p>
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Kapcherop Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

Appendix IV: Reporting of Climate Relevant Expenditures

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

Appendix V: Reporting on Disaster Management Expenditure

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

