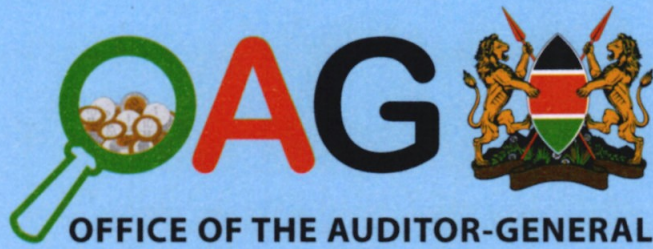


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 15 APR 2026

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Wednesday

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TABLED
BY:

Hon. Owen Baya (Deputy leader of
the Majority Party)

CLERK AT
THE-TABLE:

Anastacia

**KITUI EAST TECHNICAL AND
VOCATIONAL COLLEGE**

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
MACHAKOS HUB.

28 NOV 2025

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KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

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

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

2. Key College Information and Management

(a) Background information

The Kitui East Technical and Vocational College (hereinafter known as the *College*) was registered under the TVET Act/ 2013 Act on 9th October 2023. The College is domiciled in Kenya, Kitui County, Kitui East Sub County, 200 meters from Zombe town and neighbours AIC Sombe Girls. The institute is under the Ministry of Education. State department for Vocational and Technical Training.

The college has six academic departments namely: Automotive/Mechanical Engineering, Electrical Engineering, Building and Civil Engineering, Hospitality and Institutional Management and Cosmetology, Business and ICT and 6 non-academic departments e.g Performance Contracting, Registrar, Dean of Students, Industrial Liaison, IQA and Sports

(b) Principal Activities

The principal mandate of the College is to provide technical training for knowledge and skills empowerment of trainees. The training function is conducted under established curriculum by KICD and TVET CDACC with strict observance of quality and standards relevant in technical and vocational training. The college ensures commensurate evaluation and certification through the relevant state agencies such as TVET-CDACC. The college advertises and recruits trainees through KUCCPS and directly as walk-ins. This is done in a manner to ensure access and equity in training and guided by the Kenya Constitution 2010 and Statutes of Kenya, and mandated regulatory and supervisory bodies

VISION

To be a Centre of Excellence in Skill-based Education & Training in Science and Technology for Self-reliance

MISSION

To provide relevant skills and knowledge in Technical Education and Training in science and Technology

MOTTO

Technology is the way to go

Core values:

We are committed to:

1. Competence and Professionalism
2. Creativity and Innovation
3. Accountability and Transparency
4. Honesty and Integrity
5. Excellence and Meritocracy
6. Equity and Equality
7. Good Governance

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

(c) Key Management

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

- Board of Governors
- Principal
- Registrar
- Deans of Students
- Finance Officer

(d) Fiduciary Management

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

SN	Designation	Name
1.	Principal	Teresia M. Musiva
2.	Deputy principal Finance	Anderson Mutesa Muthiani
3	Deputy principal Academics	Lucy Nduku Wambua
4	Registrar (s)	Eric Muthengi Mutiso
5	Dean of students	Abraham Musyoka Zacharia
6	Head of Finance	Shadrack Mutunga Maleve

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Key College Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The college had not formed any fiduciary committee during that period

(f) College Headquarters

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
P.O. Box 1535-90200, KITUI
ZOMBE
KITUI EAST SUB-COUNTY,
KITUI COUNTY, KENYA

(g) College Contacts

Telephone: (254) 742608981
E-mail: kituieasttechnical@gmail.com
Website: www.kituieasttvc.ac.ke

(h) College Bankers

Kenya Commercial Bank
Kitui
P.O. Box 683-90200
Kitui, Kenya

(i) Independent Auditors

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

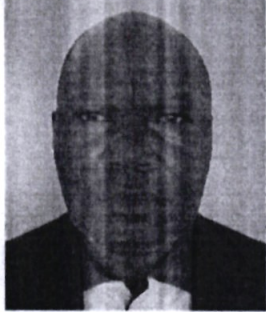


Key College Information and Management (Continued)

(j) Principal Legal Adviser




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

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

3.The Council/Board of Governors




<i>SN.</i>	<i>Member</i>	<i>Details</i>
1.	Mr. Ben Kilonzo Musyoka	 <i>Chairperson</i> <u>Date of birth</u> 06/03/1968 <u>Key Qualifications</u> Masters In Education (Administration). Specialist in Home Economics. <u>Work experience-20 years</u> Specialist in Home Economics.
2.	Ms. Teresia Mwikali Mbindya	 <i>Principal/ BOG Secretary</i> <u>Date of birth</u> 05/10/1979 <u>Key Qualifications</u> Bachelor of Business Procurement <u>Work experience</u> 2024 to Date Principal Kitui East TVC 2023-2024 Deputy Principal Academics Kitui East TVC 2008 – 2023 Procurement Trainer At Kitale National Polytechnic and Kasarani TVC
3.	Miss. Jacqueline Tumeso Taikon	 <i>Member</i> <u>Date of birth</u> 27/09/1990 <u>Key Qualifications</u> Degree B.com Finance CPA <u>Work experience-10 years</u>

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025




<p>4.</p>	<p>Dr. Allan Ndua Mweke</p>	 <p><i>Member</i></p>	<p><u>Date of birth</u> 04/11/1972</p> <p><u>Key Qualifications</u> Doctor of Philosophy</p> <p>Masters and bachelor's degrees</p> <p><u>Work experience-25 years</u></p>
<p>5.</p>	<p>Mr. John Mutisya Mungoo</p>	 <p><i>Member</i></p>	<p><u>Date of birth</u> 14/09/1973</p> <p><u>Key Qualifications</u> Masters in Food and Agribusiness,</p> <p>Bachelor of Agribusiness Management</p> <p><u>Work experience-24 years</u></p>
<p>6.</p>	<p>Miss Franciscar M. Ndawa</p>	 <p><i>Member</i></p>	<p><u>Date of birth</u> 16/06/1977</p> <p><u>Key Qualifications</u> Masters Degree Under graduate degree, post diploma, monitoring and evaluation and other certificate courses</p> <p><u>Work experience-20 years</u></p>

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>		<i>Details</i>
1.	Teresia Mwikali Mbindya	 <i>Principal</i>	<u>Key Qualifications</u> Bachelor of Business Procurement <u>Work experience</u> 2024 to Date Principal Kitui East TVC 2023-2024 Deputy Principal Academics Kitui East TVC 2008 – 2023 Procurement Trainer At Kitale National Polytechnic and Kasarani TVC
2.	Anderson Mutesa Muthiani	 <i>Deputy Principal Administration and Finance</i>	<u>Date of Birth</u> – 08/10/1978 <u>Key Qualifications</u> BEd. Technology Education – Mechanical Technology Higher Diploma Mechanical Engineering Diploma Mechanical engineering <u>Work experience</u> 17 years – in Teaching
3.	Lucy Nduku Nzanzi Wambua	 <i>Deputy Principal Academics</i>	<u>Date of Birth</u> – 02/07/1985 <u>Qualifications</u> Bsc. Instrumentation and Control Engineering Senior Management Course (Distinction) Diploma in Technical Education (Second class upper division) <u>Work experience</u> 6 years – in Teaching

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

4.	Eric Muthengi Mutiso	 <i>Registrar</i>	<p><u>Date of Birth</u> – 02/07/1985 <u>Qualifications</u> Bachelor degree in Education Technology (Power Mechanics Technology) Registered trainer with TVETA Trained Jitume ToT <u>Work experience</u> 5 years – in Teaching</p>
5.	Abraham Musyoka Zachariah	 <i>Dean of Trainees</i>	<p><u>Date of Birth</u> – 10/10/1981 <u>Qualifications</u> Diploma in Electrical Engineering (power option) <u>Work experience</u> 5 years – in Teaching</p>
6.	CPA Shadrack Mutunga Maleve	 <i>Finance Officer</i>	<p><u>Date of Birth</u> – 16/11/1989 <u>Qualifications</u> CPA – K ICPAK Member <u>Work experience</u> 5 years – in Accounting, Finance & Auditing</p>

5. Chairman's Statement



I wish to take this opportunity to present the Kitui East Technical and Vocational College 2024/2025 annual financial report. The board has been active during the year under review in managing the affairs of the Institute. During the year under review, the board in consultation with the management continued with the review and the implementation of the institute strategic plan in line with the dynamics of the TVET sector.

The board however is aware of the existing challenges facing the Institution notably, the issue of lack of electricity connection, fewer trainers and training resources. Despite all these challenges, the Institution has been able to sustain a culture that blades technical and vocational training with mundane life. During the year under review, the board continued to play its financial strategic and oversight roles and made sure that the institute utilized the available financial resources prudently.

As a board, we have encouraged a change in the mind-set of our people as we leverage on the leaders to sensitize and educate our people to embrace the concept of technical and vocational training for our youth. The board has been and is committed to ensuring that the changing world around is sensitive to the needs of the future of our young men and women. We have continued to collaborate with a number of agencies both public and private sector in our endeavour to grow the Institution. Our desire to achieve and deliver on our mandate has seen our drive in reaching out to each and every other partner willing to work with us.

Our mandate is to grow the student population through a number of strategies including effective outreach programs geared to popularize the Institution from within and around the County. These outreaches have been first since our student population has grown from 230 in the last FY to about 475 during the year under review. During the year under review, the management has carried out an aggressive popularity campaign in the three Eastern Counties where our catchment is centred.

As a board, we endeavour to continually put in place governance systems to ensure that we not only comply with the PFM Act of 2012 but also engage in prudent leadership practices that create

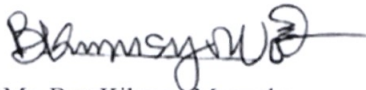
KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

value for the Institute. Kitui East TVC has remained a good corporate institution that meets its obligations for its staff and students as well as the national obligations.

The Institute registered remarkable development during the period under review in the realization of its mandate with financial support of the Ministry of Education, state Department of Vocational and Technical Training in form of grant. As a result, the Institute has now been able to steer its progress through market research, linkages, collaboration and partnerships. We continue to register an overall improvement in our performance due to enhanced resources, physical facilities and infrastructure.

Despite the myriad challenges and the financial constraints, the college has managed to register with TVETA for training, Accreditation of courses by TVETA, KUCCPS, HELB and KATTI. I'm happy to report despite the numerous challenges that the Institution has managed to provide quality training to the trainees.

I would like to thank all our stakeholders especially the Ministry of Education, the County Government of Kitui and all other development partners for the support they continue to accord the Institution, without which our achievements would not have been realized. Finally, I wish to appreciate my fellow board members and the management staff for their efforts in supporting the realization of the Institute mandate.



Mr. Ben Kilonzo Musyoka

Chairman/Board of Governors

Date: 26/11/2025

6. Report of the Principal



I am pleased to present the Annual Financial Report and Statements for Kitui East TVC for the financial year 2024/2025 in accordance to Section 81 of the Public Finance Management Act, 2012. This report is a testament to our commitment to financial accountability, transparency, and prudent resource management in line with the Public Finance Management Act, 2012.

The financial year 2024/2025 has been a period of both growth and challenges. Despite financial constraints and economic uncertainties, we have successfully managed our resources to ensure continuous service delivery and institutional development. The financial statements presented herein reflect our adherence to best accounting practices, ensuring that all funds received have been utilized effectively to support our core mandate of providing quality technical and vocational education.

Key highlights of this financial year include:

- Registration with professional bodies like TVETA - licensing for training and accreditation of courses, Tvet-CDACC and HELB
- Effective budget execution and fiscal discipline.
- Significant improvements in revenue generation through fees collection.
- Strategic cost management measures that enhanced operational efficiency.
- Infrastructure developments aimed at improving learning facilities and student welfare.

Challenges

1. Low enrollment of trainees has made the institution struggle to meet the operational cost of the institution
2. Delayed funding disbursements and increased operational costs have necessitated innovative financial strategies to maintain stability.
3. The institution is not connected to national grid making operations of office and conducting practical's a challenge. We resolved to use a hired generator to power the Institution which is very expensive to maintain.

Despite the many challenges the institute the institute faced during the year, I'm glad to report that the college managed to stay afloat financially. I therefore express my sincere gratitude to the parent

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

ministry through the state department of vocational and technical training for the recurrent funding we have continued to receive.

I extend my sincere appreciation to the Board of Governors Wote TTI for mentoring our College, staff, students, and stakeholders for their unwavering support and collaboration in ensuring financial prudence. As we embark on the next financial year, we remain committed to financial integrity and institutional growth.



Teresia M. Musiva

Principal/Secretary BOG

Kitui East Technical and Vocational College

Date: 26/11/2025

7. a) Statement of Performance against Predetermined Objectives

Kitui East Technical and Vocational College has three strategic pillars and objectives within its Strategic Plan for the FY 24/25. These strategic pillars are as follows:

Pillar 1: Access and equity

Pillar 2: Corporate governance

Pillar 3: Collaboration and linkages

Kitui East technical and Vocational College develops its annual work plans based on the above three pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2024/2025 period for its three strategic pillars.

7. b) Corporate Governance Statement

The Institute affirms that good corporate governance is simply good business. The Institute commits to ensure that there is compliance with the statutory and all the legal requirements as well as meeting the set deadlines.

i. Appointment of BOG Members

The Cabinet Secretary, MOE appoints members of the Board following recommendations from the B.O.G nominating committee. The board consists of nine members. The Board of Governors for Kitui East Technical and Vocational College serves for three years. The Board may set up sub-committees and assign them responsibilities as it may deem fit.

As stipulated by the Ministry of Education through the TVET Act (January, 2013), responsibilities of the Board of Governors include recruitment of support staff, overseeing financial management, upholding of staff and student discipline, maintenance of infrastructure & other assets, and sourcing for finances.

ii. Major roles and Functions of Board of Governors

The functions of the organs set out under section 28 (1) shall include —

- a) Overseeing the conduct of education and training in the Institutions in accordance with the provisions of this TVET Act and any other written law;
- b) Promoting and maintaining standards, quality and relevance in education and training in the Institutions in accordance with this TVET Act and any other written law;
- c) Administering and managing the property of the Institution;
- d) Developing and implementing the Institutions' strategic plan;
- e) Preparing annual estimates of revenue and expenditure for the Institution and incurring expenditure on behalf of the Institutions;
- f) Receiving, on behalf of the Institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the Institution or other bodies or persons;
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions TVET Act 2013 Technical and Vocational Education and Training No. 29
- h) Mobilizing resources for the Institutions;

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

- i) Developing and reviewing programmes for training and to make representations thereon to the Board;
- j) Regulating the admission and exclusion of students from the Institutions, subject to a qualifications framework and the provisions of this Act;
- k) Approving collaboration or association with other Institutions and industries in and outside Kenya
- l) Recruiting and appointing trainers from among qualified professionals and practising trade's persons in relevant sectors of industry;
- m) Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the Institutions, in consultation with the TVET Authority;
- n) Making regulations governing organization, conduct and discipline of the staff and students;
- o) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submits the same to the ministry
- p) Providing for the welfare of the students and staff of the Institutions;
- q) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the Institutions; and
- r) Discharging all other functions conferred upon it by this Act or any other written law.

iii. Board of Governors Allowances

The board approved allowances to board members to cater for their transport and sitting allowances while attending meetings and other seminars or capacity building conferences called by the PS office.

iv. Meetings

- a. Full Board Meetings - are held once every term, but if there is an urgent need, a meeting can be convened.
- b. Board Committee Meetings, or working committees are held once every term. The board working committee includes the following:
 - Academic, Research and Human Resource Management Board Committee - meetings once every term.
 - Finance Infrastructure and development Committee – meeting once every term
 - Risk and Audit Committee – meeting once every term

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

8. Management Discussion and Analysis

Operational Performance;

During the financial year 2023/2024 the Institute undertook the following projects

- a. Construction of school gate wall and branding
- b. Purchase of furniture for both staff and students
- c. Equipped beauty therapy workshop
- d. Equipped electrical workshop
- e. Equipped Food and Beverage production workshop
- f. Equipped Automotive workshop
- g. Equipped Building and civil workshop
- h. Landscaping, greening and planting of trees.
- i. Registration by professional bodies: TVET-CDACC

Institute's compliance with statutory requirements

The Institute has no arrears on statutory deductions.

Major risks facing Kitui East TVC

Low student's enrolment, Student's unrest, delayed disbursement of grants and scholarships by GoK.

9. Environmental And Sustainability Reporting Statement

Kitui East TVC top management underscores the importance of sustainable efforts as key to ensuring that those living today do not interfere with operations of those who will come tomorrow. We have ensured strict adherence to the college Kenya Constitution 2010 especially the bill of rights, rules and regulations of the college and other legal and ethical standards to ensure that social and economic sustainability. We stick to our Core Values i.e. Integrity, Professionalism, Transparency and Accountability, good governance, etc.

Sustainability strategy and profile

We recognize the shared responsibility to protect our planet. Although our facilities and operations have a small ecological footprint, we reduce the environmental impact of our business through preservation, conservation, and waste reduction practices. Garbage has been well managed by providing dustbins and washing points at strategic points, Bins for female Trainees have been provided to manage sanitary pads.

Environmental performance

Kitui East TVC works with students and staff to ensure good preservation of our environment. The college has put in place measures to control soil erosion within the compound, air and water pollution and waste management. These measures include hired staff dedicated specifically to environmental management, budgetary allocation on matters tree planting and management, etc. KETVC employs a holistic approach to manage the natural resources and ecological processes that serve our social, economic and cultural values. We are in the process of developing an environmental policy to guide the college on such matters concerning environment.

Employee welfare

i) Policies guiding the hiring process:

The college has in place a Human Resources Management Policy and Procedures Manual which guides on the following process: - terms and conditions of service for all cadres, code of conduct for staff, job positions and qualification. The policy has been aligned to the Public Service Human Resource Management Policy and Procedures manual and takes into account the gender ratio and stakeholder engagement. The board which plays the oversight role, is involved in all matters of staff welfare including at the point of recruitment.

ii) Improving of skills and managing careers

Training needs assessment is conducted as well as staff appraisal to ascertain the levels of need among both the teaching and non-teaching staff. The management supports staff to undertake skills upgrading and or re-skilling to align with the new technological trends.

iii) Safety and compliance with OSHA

Kitui East TVC is compliant with the OSHA Act of 2007. We have installed fire fighting equipment in all relevant and risk areas, designated a place for fire assembly and guarded all

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

powered machines to safeguard the users. We are in the process of developing an environmental policy to guide the college on such matters

Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

b) Responsible Supply chain and supplier relations

This is achieved by adhering to procurement contracts, giving uniform specifications and respecting payment practices.

c) Responsible marketing and advertisement or Responsible engagement with the citizens.

The institution provides accurate information, use not using valgure language and ensure fair competition

d) Product stewardship or Awareness Creation

Consumer rights and interests are achieved through:

- i. Not overpricing our consumers
- ii. Promotion of local products by the policy of Buy Kenya Build Kenya
- iii. Fair remuneration of the employees

Corporate Social Responsibility / Community Engagements

The college has been participating in national events held within the sub-county. We encourage the community to embrace education as a leeway out of poverty.

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

10. Report of the Council/Board of Governors

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

Principal activities

The principal activities of the College are to provide for coordinated assessment, examination and certification; to institute a mechanism for promoting access and equity in training; to assure standards, quality and relevance in technical and vocational education and training and for connected purposes as guided by the Constitution and Statutes of Kenya, and mandated regulatory and supervisory bodies.

Results

The results of the Institution for the year ended June 30 2025 are set out on page 1 to 7

Board of Governors

The members of the Board who served during the year are shown on pages' vii – viii. During the year ended June 30, 2024 no member retired/ resigned and none was appointed.

Auditors

The Auditor General is responsible for the statutory audit of **KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE** in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Secretary of the Board/Council

Nairobi

Date:

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

11. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - require BOG members to prepare financial statements in respect of Kitui East Technical and Vocational College. The statements give a true and fair view of the state of affairs of the Institute at the end of the financial 2023/2024 and the operating results of Kitui East Technical and Vocational College for the period 2023/2024. Board members are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of Kitui East TVC. The BOG members are also responsible for safeguarding the assets of the College.

This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the college;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the college;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

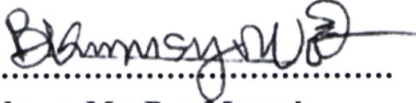
The BOG members accept responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act). The board members are of the opinion that the college's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended 30th June 2024 and of the Institute's financial position as at that date. The board members further confirm the completeness of the accounting records maintained for the college, which have been relied upon in the preparation of the college's financial statements as well as the adequacy of the systems of internal financial control.

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

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

Approval of the financial statements

Kitui East Technical and Vocational college financial statements were approved by the Board on 26th November 2025 and signed on its behalf by:



.....
Name: Mr. Ben Musyoka

Chairperson of the Board

Date: 26/11/2025



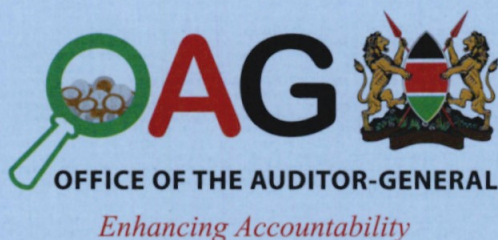
.....
Name: Mary Nyiva Kaboro

Accounting Officer/Principal

Date: 26/11/2025

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

- A. Report on 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of Kitui East Technical and Vocational College set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kitui East Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Opinion

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

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. There were no key audit matters to report in the year under review.

Other Information

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

In connection with my audit on the 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 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 effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Engagement of Casual Workers

Review of documents revealed that twenty-three (23) casual staff were engaged for more than three (3) months during the year under review. This is contrary to Section B.16 (1) of the County Public Service Human Resource Manual 2013 which states that casual workers shall be engaged only on urgent short-term tasks with the approval of the County Public Service Board. Casual workers shall not be engaged for more than three months as stipulated in the Employment Act, 2007.

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

2. Irregular Procurement of Office Furniture

Review of records revealed that Management awarded two (2) tenders to a supplier for the supply and delivery of office furniture worth Kshs.318,500 and Kshs.937,500 respectively. However, the list of prequalified suppliers, evaluation reports and award minutes were not provided for audit review to confirm how the supplier was identified.

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

3. Failure to Deduct and Remit Statutory Deductions

The statement of financial performance and as disclosed in Note 10 to the financial statements reflect employee costs of Kshs.1,898,255. However, National Hospital Insurance Fund (NHIF) and National Social Security Fund (NSSF) contributions were not deducted from staff and remitted as required by Section 22 of the NSSF Act, 2013 and Section 16(1) of the NHIF Act, 1998 (Amended 2012) which require employers to deduct monthly employees' contributions from their employees and remit to the respective statutory Funds.

In circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I 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.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Internal Audit Unit and Audit Committee of the Board

The College had not established an internal audit unit and an Audit Committee of the Board. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of internal audit function and an Audit Committee of the Board.

In the circumstances, the College did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

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

Responsibilities of the Management and the Board of Governors

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

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 December, 2025

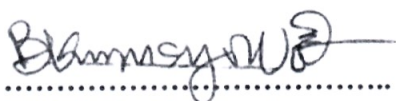
KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

13. Statement of Financial Performance For The Year Ended 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	11,999,310	2,985,420
		11,999,310	2,985,420
Revenue from Exchange transactions			
Rendering of services- fees from students	7	19,110,943	6,079,254
Miscellaneous Income	8	0	2,000
Revenue from Exchange transactions		19,110,943	6,081,254
Total Revenue		31,110,253	9,066,674
Expenses			
Use of goods and services	9	7,853,594	2,274,977
Employee costs	10	1,898,255	1,113,930
Board /Council Expenses	11	0	87,000
Depreciation and amortization expense	12	1,680,160	1,520,409
Repairs and maintenance	13	126,260	66,020
Total Expenses		11,558,269	5,062,336
Net surplus/(deficit) for the year		19,551,984	4,004,337

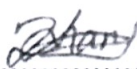
The notes set out on pages 19 to 26 form an integral part of the Annual Financial Statements.

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



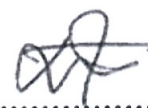
.....
Chairman of Council/Board

Date: 26/11/2025



.....
Principal

Date: 26/11/2025



.....
Finance Officer

ICPAK No: ASSOC/3580

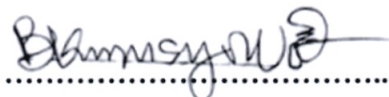
Date: 26/11/2025

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

14. Statement of Financial Position As At 30th June 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	67,428	270,204
Current portion of receivables from exchange transactions	15(a)	19,163,079	5,664,233
Receivables from non-exchange transactions	16	10,000,000	500,000
Total Current Assets		29,230,507	6,434,437
Non-Current Assets			
Property, plant, and equipment	17	137,872,609	138,274,769
Total Non-Current Assets		137,872,609	138,274,769
Total Assets (A)		167,103,116	144,709,206
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	18	2,132,356	1,213,990
Short-Term Loan	19	1,923,560	0
Total Current Liabilities		4,055,916	1,213,990
Total Liabilities (B)		4,055,916	1,213,990
Net Assets (A-B)		163,047,200	143,495,216
Represented By:			
Accumulated Surplus		23,556,322	4,004,338
Capital Fund		139,490,878	139,490,878
Net Assets		163,047,200	143,495,216

The Financial Statements set out on pages 2 were signed by:



.....
Chairman of Council/Board

Date: 26/11/2025



.....
Principal

Date: 26/11/2025



.....
Finance Officer

ICPAK No: ASSOC/3580

Date: 26/11/2025

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

15. Statement of Changes in Net Asset For The Year Ended 30 June 2025

Description	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023	0	0	0
Surplus for the year	4,004,338	-	4,004,338
Capital grants received during the year	-	139,490,878	139,490,878
At June 30, 2024	4,004,338	139,490,878	143,495,216
At July 1, 2024	4,004,338	139,490,878	143,495,216
Surplus for the year	19,551,984	0	19,551,984
Capital grants received during the year	0	0	0
At June 30, 2025	23,556,322	139,490,878	163,047,200

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

16. Statement of Cash Flows For The Year Ended 30 June 2025

Description		2024-2025	2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		2,499,310	2,485,420
Rendering of services- fees from students		5,612,097	415,021
Fees Paid In advance		52,628	2,000
Total Receipts		8,164,035	2,902,441
Payments			
Use of goods and services		7,395,456	1,983,387
Employee costs		2,637,655	374,530
Board /Council Expenses		0	87,000
Repairs and maintenance		135,260	57,020
Total Payments		10,168,371	2,501,937
Net Cash Flows from operating activities	20	(2,004,336)	400,504
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(122,000)	(130,300)
Net cash flows used in investing activities		(2,126,336)	(130,300)
Cash flows from financing activities			
Proceeds From Borrowing		1,923,560	0
Repayment Of Borrowings		(0)	(0)
Net cash flows used in financing activities		(0)	(0)
Net Increase/(Decrease) in Cash and Cash equivalents		(202,776)	(0)
Cash and Cash equivalents at 1 JULY	14	270,204	-
Cash and Cash equivalents at 30 JUNE	14	67,428	270,204

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

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

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

Description	Original budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	A	B	c=(a+b)	D	e=(c-d)	f=d/c*100
Receipts						
Transfers from other National Government entities	4,422,870	0	4,422,870	4,422,870	0	100
Rendering of services- fees from students	5,655,480	0	5,655,480	5,664,725	9,245	92
Total Receipts	10,078,350	0	10,078,350	10,087,595	9,245	100
Payments						
Use of goods and services	6,660,000	0	6,660,000	7,395,456	(735,456)	111
Employee costs	1,056,000	0	1,056,000	2,637,655	(1,581,655)	250
BOG Expenses	600,000	0	600,000	0	600,000	-
Repairs and maintenance	180,000	0	180,000	135,260	44,740	75
Total Expenditure Payments	8,496,000	0	8,496,000	10,168,371	(1,672,371)	120
Capital Expenditure Payments	1,582,350		1,582,350	122,000	1,460,350	8
Surplus	0	0	0	(202,776)		

18. Notes to the Financial Statements

1. General Information

Kitui East TVC is established by and derives its authority and accountability from TVET Act. The College is wholly owned by the Government of Kenya and is domiciled in Kenya. The College's principal activity is train learners on technological, research and technical skills

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

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 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 College. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45: Property Plant and Equipment	Applicable 1st January 2025 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.
IPSAS 46: Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2025

	The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an college shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the college's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

ii. Early adoption of standards

The 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 college 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 college 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 college.

Interest income

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

Rental income

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

b) Budget information

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

c) Taxes

Current income tax

No tax was remitted during the year.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The college does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one college and a

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financial liability or equity instrument of another college. At initial recognition, the college measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

- 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 College.

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The College does not provides retirement benefits for its employees and directors.

q) Foreign currency transactions

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

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements

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

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

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6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Recurrent Grant	1,999,310	2,000,000
NG-CDF KITUI EAST CONSTITUENCY	0	750,000
Total unconditional Grants	1,999,310	2,985,420
Conditional Grants recognised in revenue		
Hostels Grant	10,000,000	0
Total Government Grants and Subsidies	11,999,310	2,985,420

(a) Transfers from other Government entities (Categorized)

Name of the College 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 2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	1,999,310	0	0	1,999,310	2,000,000
NG-CDF KITUI EAST	0	0	0	0	750,000
Ministry of Education-Wote TTI	10,000,000	0	0	10,000,000	0
Total	11,999,310	0	0	11,999,310	2,985,420

The details of the reconciliation have been included under appendix 1

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7. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Fees	18,834,893	6,079,254
Industrial Attachment Fees	5,000	0
Examination Fees	217,200	0
Examination practical material fee	53,850	
Total Revenue from The Rendering of Services	19,110,943	6,079,254

8. Miscellaneous Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Account Opening Deposits	0	2,000
Total Donations and Contributions	0	2,000

9. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Administrative Expenses	2,719,394	304,588
Printing and stationeries	0	131,536
Travelling and accommodation	2,134,824	691,200
Bank Charges	17,017	2,127
Electricity and Water expenses	681,838	469,570
Teaching and training materials	2,027,451	196,606
Activity	55,870	79,200
Environmental sustainability Expenses	0	107,000
Marketing Expenses	0	136,350
Staff Training Expenses	0	156,800
Examinations Expenses	217,200	0
Total good and services	7,853,594	2,274,977

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10. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	1,898,255	1,113,930
Employee Costs	1,898,255	1,113,930

11. Board expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Sitting allowance	0	87,000
Total	0	87,000

12. Depreciation and Amortization expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	1,930,160	1,520,409
Total depreciation and amortization	1,930,160	1,520,409

13. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property	126,260	66,020
Total Repairs and Maintenance	126,260	66,020

14. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	49,147	54,819
Cash in Hand	18,281	215,385
Total Cash and Cash Equivalents	67,428	270,204

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		49,147	54,819
Sub- Total		49,147	54,819
b) Others(Specify)			
Cash in Hand		18,281	215,385
Sub- Total		18,281	215,385
Grand Total		67,428	270,204

15. Receivables from Exchange transactions

(a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	19,163,079	5,664,233
Total Current Receivables	19,163,079	5,664,233

(b) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of total	2023-2024	% of total
Less than 1 year	16,983,629	88.62	5,664,233	100
Between 1- 2 years	2,179,450	11.62	-	0
Total (a+b)	19,163,079	100%	5,664,233	100%

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16. Receivables from Non-Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Recurrent Grants*	0	500,000
Transfers from Other Govt. entities-Wote TTI	10,000,000	0
Total Current Receivables	10,000,000	500,000

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

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

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	10,000,000	100	500,000	100
Total	10,000,000	100	500,000	100

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17. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2.5%	12.5%	20%	20%	
At 1 July 2023	80,000,000	59,490,878	-	-	-	139,490,878
Additions	-	49,000	255,300	-	-	304,400
At 30th June 2024	80,000,000	59,539,878	255,300	0	0	139,795,178
Additions	-	0	1,278,000	0	0	1,278,000
At 30th June 2025	80,000,000	59,539,878	1,533,300	0	0	141,073,178
Depreciation And Impairment						
At 1 Jun 2023	0	0	0	0	0	0
Depreciation	-	1,488,496	31,913	0	0	1,520,409
At 30 Jun 2024		1,488,496	31,913	0	0	1,520,409
Depreciation	-	1,488,497	191,663	0	0	1,680,160
At 30th Jun 2025	-	2,976,993	223,576	0	0	3,200,569
At 30th Jun 2024	80,000,000	58,051,382	223,387	0	0	138,274,769
At 30th Jun 2025	80,000,000	56,562,885	1,309,724			137,872,609

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Notes to the Financial Statements (Continued)

Valuation

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

17 (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	80,000,000	-	80,000,000
Buildings	59,539,878	2,976,993	56,562,885
Office Equipment, Furniture, And Fittings	1,533,300	223,576	1,309,724
Total	141,073,178	3,200,569	137,872,609

18. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	2,079,728		1,213,990	
Fees paid in advance	52,628		0	
Total Trade and Other Payables	2,132,356		1,213,990	
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	2,058,296	96.53	1,213,990	100
1-2 years	74,060	3.47	00	0
Total (to tie to totals above)	2,132,356	100	1,213,990	100

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19. Short- Term loan

Description	2024-2025		2023-2024	
	Kshs		Kshs	
WOTE TTI	1,923,560		0	
Total Deposits	1,923,560		0	
	2024-2025	% of the Total	2023-2024	% of the Total
Ageing analysis:				
Under one year	1,923,560	100	0	0
Total (to tie to totals deposits above)	1,923,560	100	0	0

(Provide brief explanation)

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20. Cash generated from operations.

Surplus for the year before tax	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	19,551,984	4,004,338
Adjusted for:		
Depreciation	1,680,160	1,520,409
Non-Cash grants received	0	0
Contributed assets	(1,156,000)	(304,300)
Working Capital Adjustments		
Increase in Receivables	(22,998,846)	(6,164,233)
Increase in Payables	918,366	1,213,990
Net Cash Flow from Operating Activities	(2,004,336)	270,204

21. Financial Risk Management

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

(i) Credit risk

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

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

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

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Financial risk management (continued)

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	5,664,233	5,664,233	0	0
Receivables from non-exchange transactions	500,000	500,000	0	0
Bank balances	270,204	270,204	0	0
Total	6,434,437	6,434,437	0	0
At 30 June 2025			0	0
Receivables from exchange transactions	19,163,079	19,163,079	0	0
Receivable from non-exchange transactions	10,000,000	10,000,000	0	0
Bank balances	67,428	67,428	0	0
Total	29,230,507	29,230,507	0	0

Financial risk management (continued)

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

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

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(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	0	0	1,213,990	1,213,990
Total	0	0	1,213,990	1,213,990
At 30 June 2025				
Trade Payables	0	0	2,079,728	2,079,728
Total	0	0	2,079,728	2,079,728

(iii) Market risk

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

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

a) Foreign currency risk

The college 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 college's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets (Investments, Cash, Debtors)	29,230,507	0	0
Liabilities		0	0
Trade and Other Payables	2,132,350	0	0
		0	0
Net Foreign Currency Asset/(Liability)	27,098,157	0	0

The college 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.

iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Retained Earnings	23,556,322	4,004,338
Total Funds	23,556,322	4,004,338
Less: Cash and Bank Balances	(67,428)	(57,704)
Net Debt/(Excess Cash and Cash Equivalents)	23,488,894	3,946,634
Gearing	14.41%	1.46%

22. Related Party Balances

Nature of related party relationships

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

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Government of Kenya

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

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

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Transactions with Related Parties		
a) Grants /Transfers from the Government		
Grants from National Govt	2,499,137.5	2,985,420
Total		
b) Key Management Compensation		
BOG Expenses	0	87,000
Total	0	87,000

23. Events After The Reporting Period

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

24. Ultimate And Holding College

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

25. Currency

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

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19. Appendices

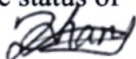
Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your college responsible for 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.

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Name
Accounting Officer
Kitui East Technical and Vocational College
Date: 27/11/2025

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Appendix II- Inter-College Confirmation Letter



MINISTRY OF EDUCATION
STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING
KITUI EAST TECHNICAL AND VOCATIONAL COLLEGE

P.O BOX 1535-90200 KITUI
PHONE NO: 0721986970
E-MAIL: KITUIEASTTECHNICAL@GMAIL.COM



Our Vision: To be a Centre of Excellence in Skill-based Education & Training in Science and Technology for Self-reliance


Kitui East Technical and Vocational College wishes to confirm the amounts disbursed to the college as at 30th June 2024 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 Kitui East Technical and Vocational College as at 30th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	15/07/2024	500,000		500,000	FY 2023/2024
	02/10/2024	499,827.50		499,827.50	FY 2024/2025
	21/01/2025	499,827.50		499,827.50	FY 2024/2025
	04/06/2025	499,827.50		499,827.50	FY 2024/2025
	17/06/2025	499,827.50		499,827.50	FY 2024/2025
Total		2,499,310		2,499,310	

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

Head of Accounts Department - Disbursing College:

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Name Sign Date		
Head of Accounts Department - Beneficiary College:		
Name <u>Mary Nyiva Kaboro</u>	Sign 	Date: 26/11/2025

