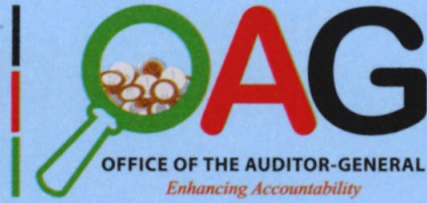


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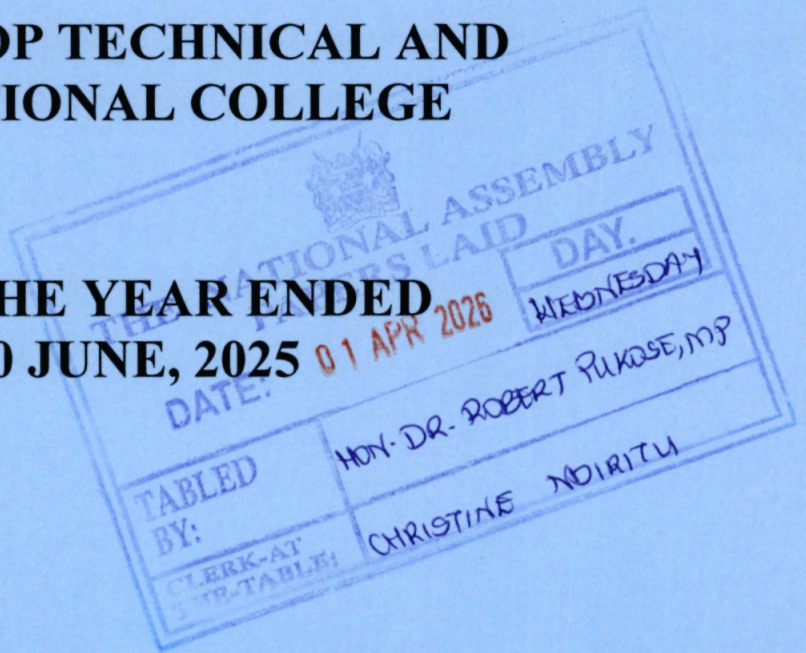
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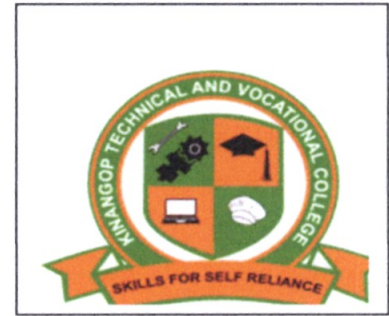
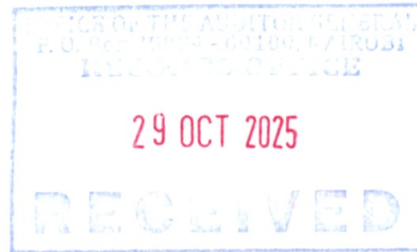
THE AUDITOR-GENERAL

ON

KINANGOP TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2025





KINANGOP TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. Acronyms & Glossary of Terms

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
ILO	Industrial Liaison Officer
IQA	Internal Quality Assurance Officer
Fiduciary Management	Key management personnel who have financial responsibility in the entity

Provide a list of Acronyms and glossary of terms used in the financial report as per above example. The list to be exhaustive)

2.Key Entity Information and Management

(a) Back ground information

Kinangop TVC is committed to providing quality technical and vocational education and training that is competency oriented to meet dynamic market and industrial needs. The top management shall ensure continuous improvement in teaching infrastructure and reviews of quality objectives to meet the changing needs in industry and society. The institute is established under the Ministry of Higher Education, Science and Technology via certificate number **TVETA/PUBLIC/TVC/0024/2019**.

(b) Principal activities

The core objectives are:

- Provide adequate and appropriate skilled artisans, craftsmen, technicians and technologists at all levels of the economy through practical training and experience.
- To offer demand driven and market driven courses through collaboration with industries.
- Provide increased training opportunities for the increasing number of schools leavers, learners and trainees to increase employability.
- Provide continuously upgrading of skills and knowledge at the pace and ability of the trainees.
- Provide a dynamic curriculum responsive to the man power needs of a dynamic economy impart marketable skills, technical know-how and attitude that respond to contemporary labour market demands by the industry, informal sector and for self-employment.

VISION:

A world class TVET institution that provides market driven technical knowledge and skills.

MISSION:

To provide quality TVET skills by adapting relevant technologies to empower trainees meet dynamic industrial needs for sustainable development.

MOTTO:

Skills for self-reliance

Mandate:

To create, promote and continuously provide relevant and up-to-date technological skills required by an advancing industrial economy.

(a) 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	Agnes Wangui Gachenge
2.	Deputy principal Finance	Robert Githinji Kamau
3.	Deputy Principal Academic	Lucy Wambui Ndegwa
3.	Registrar	Victoria Wangari Mwangi
4.	Dean of students	Benard Kipkirui Rotich
5.	Head of Finance	Joyce Nyambura Maina
6.	IQA	Margaret Kiragu
11	H.O.D- ILO	Livingstone Njoroge Muturi

(Include the positions that are regarded as top management in your organisation).

Key Entity Information and Management (Continued)

(b) Fiduciary Oversight Arrangements

The key fiduciary oversight committees are:

- I. Education, research and development committee members
 - Mary Mwandulo– Chairman
 - Peter G Kariuki –Board committee member.
 - Peter Kaume-CD TVET

- II. Finance, planning and administration committee members
 - Peter Kipkirui Tonui-Chairman.
 - Joseph Kamau Kamiri-Board committee member
 - Hellen Adhiambo -Board committee member

- III. Audit and risk management committee members
 - Franklin Kiome–Chairman.
 - Moses Njoroge–Board committee member

(c) Entity Headquarters

P.O. Box 267-20319, South Kinangop.
Githioro Shopping Centre, South Kinangop, Kenya

(d) Entity Contacts

Telephone: +254796499244
E-mail: kinangoptvc@gmail.com
Website: www.kinangoptvc.ac.ke

(e) Entity Bankers

KCB Bank,
Njabini Branch, Kenya.
Account Name: Kinangop Technical and Vocational College
Account No:1290665540

Equity Bank,
Njabini Branch, Kenya.
Account Name:Kinangop Technical and Vocational College
Account No:0160265845254




(f) Independent Auditors

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


(g) Principal Legal Adviser

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


3.Board of Governors

SN.	Member/ Director	Details
1.	 Dr.Naomi Wairimu Mwangi (Chairman BOG)	Date of birth: Date of appointment: 28/2/2025 Key qualification: Doctor of philosophy in Education, University of Nairobi. Master of Education in Educational planning and administration, University of Nairobi. Work experience: She has 22 years' work experience in Education and training.:
2.	 Henry Mary Mwandulo (BOG member)	Date of birth:1980 Date of appointment:28/2/2025 Key qualification: PHD in Information Technology, Masinde Muliro University. Masters in Information Technology, JKUAT.Bachelor of Science, Kenya Methodist. Work experience: She Has 11 years in Education
3.	 Peter Kipkirui Tonui (BOG member)	Date of birth:23 rd September 1964 Date of appointment: 20 th January2022 Key qualification; A holder of MBA (strategic option) from JKUAT and a BSc (Maths and Physics) from university of Nairobi. He has over 36 years working experience and is a seasoned professional with practical experience and solid understanding of diverse range of community development programs including ICT, telecommunication, general construction and education. He is currently the director in charge of projects and strategy at Tiroto constructions and general enterprises ltd.

4.	 Hellen Adhiambo Ojwang (BOG member)	Date of birth: Date of appointment: 20 th January2022 Key qualification: she holds a Bachelors degree in Electrical and Electronics Engineering from Moi university. She has over 4years'experienceinsystem design, implementation and maintenance with a stellar safety record. She is currently an FBBU in charge, Kenya power and lighting at Engineer.
5.	 Joseph Kamau Kamiri (BOG Member)	Date of birth: Date of appointment:28/02/2025 Key qualification:MBA in Marketing, University of Nairobi. Work Experience: He has 30 years' experience in Insurance and Finance Sector.
6.	 Moses Njoroge (BOG Member)	Date of birth :1980 Date of appointment:28/02/2025 Key qualification: Masters of Law, Queen Mary, University of London. Work Experience: He has 16 years' experience working in law firm.
7.	 Frankline Kiome (BOG Member)	Date of birth:28 th October1985 Date of appointment: 20 th January2022 Key qualification: he is currently pursuing a PhD in accounting at Jomo Kenyatta university He has over 7 years of experience as an accountant. He is currently a Senior Accountant at Kenya Methodist University.

8.	 <p data-bbox="264 577 608 651">Agnes Wangui Gachenge (Principal/Secretary BOG)</p>	<p data-bbox="874 271 1214 300">Date of birth: 11th June 1969</p> <p data-bbox="874 306 1414 336">Date of appointment: 16th December 2021</p> <p data-bbox="874 342 1517 483">Key qualification: Masters of Education degree from Kenyatta university and Bachelor of Education from Catholic University of Eastern Africa.</p> <p data-bbox="874 528 1525 633">Work experience: She has over 30 years' experience in the education sector and administration</p>
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4.Key Management Team

SN.	Member/ Director	Details
9.	 Agnes Wangui Gachenge (principal/Secretary BOG)	Date of birth: 11 th June 1969 Date of appointment: 16 th December, 2021 Key qualification: Masters degree in education from Kenyatta university and bachelor of education from Catholic University of Eastern Africa. Work experience: She has over 30 years' experience in the education sector and administration
10.	 Joyce Nyambura Maina (Accountant)	Date of birth: 28 th August 1990 Key qualification: Degree in Business Administration and CPAK Holder. Work experience: 5 years' experience in accounting
11.	 Robert Githinji Kamau (Deputy Principal Admin)	Date of birth: 10 th September 1975 Date of Appointment: 10 th April 2025 Key qualification: Bachelor of Technology in Electrical and Electronics Work Experience: 22 years' experience in training
12.	 Lucy Wambui Ndegwa (Deputy Principal Academic)	Date of birth: 17 th May 1977 Date of appointment: Key qualification: Masters degree in Business Administration Work experience: She has over 22 years' experience in the education sector and administration

5. Chairman's Statement

On behalf of the board of directors, it gives me pleasure to present Kinangop Technical and Vocational college annual report and financial statements for the year ended 30th June 2025.

As a governing board, we are mandated to mobilize resources and utilize them effectively and efficiently to promote technical and vocational training. In implementing our mandate, we have ensured that several strategies have been put in place to manage the anticipated fast growth in terms student population, training programmes and labour force. We however acknowledge that we need to align our strategies with the current government Bottom-Up Economic Transformation Agenda (BeTA).

Kinangop Technical and Vocational College is keen in ensuring that the programme offered will enable the trainees acquire the necessary skills and Knowledge, experience and confidence to be leaders in their professions and drive the current government agenda of transforming the communities.

College mandate

Kinangop Technical and Vocational College (Kinangop TVC) is a public TVET institution under the ministry of education and exists to provide relevant and adequate skills and competencies in strategic disciplines for spurring industrial and economic development in line with the aspirations of the Kenyan people.

Specific objectives of the TVET are to: -

- Provide adequate and appropriate skilled artisans, craftsmen, technicians and technologists at all levels of the economy through practical training and work experience;
- Transfer technology continuously through collaborative approach between TVET institutions and the relevant industries;
- Promote dignity and decency of labour, particularly manual work;
- Provide increased training opportunities for the increasing school leavers and other trainees to increase employability;
- Provide continuous upgrading of skills and knowledge at the pace and ability of the trainees;
- Provide a dynamic curriculum responsive to the manpower needs of a dynamic economy; impart marketable skills, technical know-how and attitudes that respond to contemporary labour market demands by the industry, informal sector and for self-employment;

College performance

During the financial year 2024/2025, the college recorded a surplus of ksh. **23,253,373** out of total income from the government and tuition fees which was a result of continuing students together with the trainee admitted during the year under review.

Appointment of new Board of Governors.

During the period under review, new Board of Governors were appointed.



Prof. Naomi Gikonyo

Chairman, Board of Governors

29th October, 2025

6. Report of the Principal

Kinangop Technical and Vocational College is well placed to provide adequate and relevant training to its graduates that enables them to contribute towards the attainment of our Kenya's vision 2030 strategic objectives and the big four agenda. In furtherance of our mandate therefore, we have committed to consistently and regularly review, improve and consolidate the college programs in ways that will ensure their competitiveness in terms of quality and relevance.

The first batch of students was admitted in January 2019. The enrolment has dropped to 1,348 students as at 30th June 2025.

Kinangop TVC has six academic departments as follows:

- Electrical and electronic engineering.
- Building and civil engineering
- Mechanical engineering
- Information communication technology
- Business Entrepreneurship Studies
- Hospitality and Institutional Management

Currently the college offers a number of courses at three levels examined by Kenya national examination council (KNEC), TVET-CDAC, KASNEB and National Industrial Training Authority (NITA) namely:

- Diploma
- Craft
- Artisan

Kinangop TVC is establishing collaboration with industry to plan and implement programs that enables acquisition of appropriate knowledge, skills, values and attitudes required for the development of individuals and the entire nation. The college plans to improve on its capacity and quality education and training delivery through the implementation of performance contracting, strategic plan and quality management system. Kinangop TVC is registered by technical and vocational education and training authority (TVETA).

In response to the needs of the community, Kinangop TVC introduced fashion, design, and accounting courses in 2023.

Major risks facing the organisation.

The college's major risks are mainly related to its core business which is training and human resource development. Some of the identified risks include;

- i. High rate of student dropout.
- ii. Lack of student accommodation and support facilities.
- iii. Delayed disbursement of capitation, scholarship and HELB grants
- iv. Lack of enough Computers that will facilitate ICT all trainee in our institution.
- v. The poor perception of Technical Education by the surrounding environment.
- vi. Lack of labour force to be able to manage the increased number of students.

Challenges

The college faced various challenges during the year as outlined below:

- ❖ Funding. The delay in disbursement of capitation/scholarship and poor fee payment by the students greatly affected the operation of the college.
- ❖ Lack of training equipment and tools especially in the newly introduced courses.
- ❖ Staffing challenges: lack of adequate government trainers.

Successes

Kinangop TVC continues to experience steady growth in enrolment.

Future outlook

The management intends to introduce more market driven courses and engage financing agencies such as the NG-CDF for infrastructural development funding and renovation. Plans are underway to start income generating activities to boost the financial base of the college.

Thank you.



Mrs. Agnes Gachenge
Principal/BOG Secretary.

7. Statement of Performance against Predetermined Objectives

Review of Kinangop Technical and Vocational College’s performance for FY 2024/2025 section 81 subsection 2 (f) of the public finance management act, 2012 requires the accounting officer to include in the financial statement, a statement of the Kinangop Technical and Vocational College’s performance against predetermined objectives.

Kinangop Technical and Vocational College seven strategic pillars and objectives within current strategic plan for the period 2023-2028. These strategic pillars are as follows:

Strategic Pillar	Strategic objectives	Strategies	Activities	Achievement
1. Training, skills and attitudes development	1. To provide trainees with market driven skills and attitudes essential to trigger research, innovation and entrepreneurship.	Provide modern and adequate facilities for training	<ul style="list-style-type: none"> Construct 16 training rooms Equip and stock the library Construct and equip food and beverage kitchen. Construct and equip workshops 	<ul style="list-style-type: none"> We have fabricated 6 training room and intend to construct a tuition block. Fabrication of 4 workshops We have equipped food and beverage kitchen.
		Provide Academic programmes that meet the market demand	<ul style="list-style-type: none"> Review academic programmes to ensure market relevance and applicability undertake industry needs assessment introduce more courses seek accreditation by NITA and KASNEB 	<ul style="list-style-type: none"> We have been able to introduce more courses such as agriculture and fashion and design which are in line with the current demand in the surrounding. Introduction of CBET Introduction of Dual training, Accreditation by Nita and CDACC.
		Facilitate use of technology in training	<ul style="list-style-type: none"> Establish a student portal and website for digital content 	<ul style="list-style-type: none"> We have managed to establish an interactive website and installed MIS where students can access their portal.
2. Financial stability and	2. To diversify sources of funds	Increase enrolment.	<ul style="list-style-type: none"> Intensify Marketing 	<ul style="list-style-type: none"> With Increased marketing activities we have managed to

KINANGOP TECHNICAL AND VOCATIONAL COLLEGE

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

resource mobilization	through strategic partnerships.			grow the population to 1348 students as at 30 th June 2025.
		Enhance income generating activities	<ul style="list-style-type: none"> • Expand computer packages training • Establish a fabrication production unit • Establish a garage • Establish a cafeteria • Establish a beauty parlor • Establish a carwash • Hiring of grounds • Establish Driving school 	<ul style="list-style-type: none"> • The development of an income generating policy is underway. • We have started computer package course.
		Enhance fees collection	<ul style="list-style-type: none"> • Develop a policy on fees payment and implement it 	<ul style="list-style-type: none"> • We have ensure that all the trainees who are not able to pay the whole amount of school fee apply for helb and bursary in order to cater for the amount.
		Seek additional funding from Government	<ul style="list-style-type: none"> • Develop funding proposals 	<ul style="list-style-type: none"> •
3. Infrastructural capacity	To expand physical infrastructure to a world class standard	Develop new modern physical infrastructure	<ul style="list-style-type: none"> • Develop master plan • Construct hostels • Erect reading sheds • Computerize all the services 	<ul style="list-style-type: none"> • Development of master plan is at an advance stage.
		Enhance sporting and recreational facilities	<ul style="list-style-type: none"> • Upgrade the soccer field • Acquire games facilities including darts board, chess board, badminton, scramble 	<ul style="list-style-type: none"> • We have acquired game facilities such as chessboard.
		Upgrade the existing physical infrastructure	<ul style="list-style-type: none"> • Provision of cabros paved walkways • Upgrade the gate • Enhance internet connectivity • Procure ICT equipment 	<ul style="list-style-type: none"> • We have upgraded the gate. • We have procured 25 desktop computers. • We have installed reliable internet.

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

4. Human resource capacity	To acquire and retain adequate competent staff and build the capacity of both staff and Board of Governors.	Acquire adequate staff	<ul style="list-style-type: none"> Develop human resources policy Increase number of training and non-training staff 	<ul style="list-style-type: none"> We have acquired more trainers
		Build capacity of staff and Board of Governors	<ul style="list-style-type: none"> Conduct team building session Organize leadership trainings for the board of governors 	Trainers have attended trainings on modularised curriculum.
		Attract and retain performing staff	<ul style="list-style-type: none"> Develop an awarding system for exemplary performance of the staff Enhance staff welfare Provide staff with personal protective equipment (PPE) 	<ul style="list-style-type: none"> Not Done
5. Collaborations and partnerships	To enhance collaborations, linkages and partnerships with industry, academia and community.	Establish the structures for collaborations and partnerships	<ul style="list-style-type: none"> Develop and implement collaborations, linkages and partnerships policy Seek for collaborations, linkages and partnership with relevant institutions and signing of MoUs 	<ul style="list-style-type: none"> We are in the process of partnering with industries to enhance dual training.
		Establish alumni association	<ul style="list-style-type: none"> Create data base of alumni Conduct a tracer's study Create an association of alumni Identify brand ambassadors 	<ul style="list-style-type: none"> Not Done
6. Equity and inclusion	To promote equity and inclusivity in accessing service delivery	Improve accessibility to training	<ul style="list-style-type: none"> Develop and implement Affirmative action policy in admissions. Develop and implement gender and equity main streaming policy 	<ul style="list-style-type: none"> Not Done Not Done
		Create a conducive learning environment for all	<ul style="list-style-type: none"> sanitation facilities 	<ul style="list-style-type: none"> Construction of ablution block with two washrooms for PWD

		Provide opportunities for all	<ul style="list-style-type: none"> Implement affirmative action in employment and procurement 	<ul style="list-style-type: none"> Offered 30% of the procurement to Youth, PWD and Women.
		Improve public image of the college	<ul style="list-style-type: none"> Re branding Acquisition of a 52 seats bus 	<ul style="list-style-type: none">
7. Conducive environment	Provide an environment that promotes learning and productivity	Improve physical and psychological health of staff and trainees.	<ul style="list-style-type: none"> Identify a health facility where staff and trainees can receive first aid in case, they fall sick within the college Train guidance and counseling members on basic guidance and counseling skills Training of peer educators on basic guidance and counseling skills Sensitization staff and trainees on drugs and substance abuse issues Conduct wellness promotion activities including Voluntary Testing and Counselling (VCT) services 	<ul style="list-style-type: none"> We have collaborated with Githabai Health facility to treat our trainees. We have conducted mental Health talk to the trainees and the staff.
		Strengthen trainee leadership	<ul style="list-style-type: none"> Review of trainee's constitution Build leadership capacity of student leader 	<ul style="list-style-type: none">
		Greening the environment	<ul style="list-style-type: none"> Planting of trees and flowers Recycling waste Upgrade drainage Upgrade waste management facilities 	<ul style="list-style-type: none"> We have planted 2,000 trees and in the process of recycling our waste
		Improve the welfare of trainees with disabilities	<ul style="list-style-type: none"> Develop gender and equity mainstreaming policy Sensitize staff and trainees on gender and equity mainstreaming 	<ul style="list-style-type: none">

Kinangop technical vocational college develops its annual work plans based on the above *guidelines*. Assessment of the board's performance against its annual work plan is done on a quarterly basis

8. Corporate Governance Statement

Kinangop TVC is committed to good corporate governance, which promotes the long-term interests of the government of Kenya and any other stakeholder, that strengthens board and management accountability and helps build public trust in the college.

The board is appointed by the government of Kenya through the Cabinet Secretary, Ministry of Education, to oversee the government's interest in the long-term success of the college and its financial strength in order to discharge its mandate. The board serves as the ultimate policy making body of the college, except for those matters reserved to or shared with the government of Kenya. The Board works with the members of senior management, who are charged by the board with conducting the business of the college in line with the technical, vocational, education & training act of 2013 and the constitution of the republic of Kenya.

The current board was appointed on 28th Feb, 2025 for a term of 3 years ending 28th February, 2028.

The board has three subcommittees of the for the purpose of fiduciary oversight.

Under the TVET act of 2013, the functions of board of governors as 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 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 act and any other written law;
- (c) Administering and managing the property of the institutions;
- (d) Developing and implementing the institutions 'strategic plan;
- (e) Approving 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 of this act;
- (i) Developing and reviewing programmes for training and to make representations there onto the board;
- (j) Regulating the admission and exclusion of students from the institutions, subject to a qualification's frame work and the provisions of this act;
- (k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the board;
- (l) Recruiting and appointing trainers from among qualified professionals and practising trades 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 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 board;
- (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.

In the period it has been in existence, the board has endeavoured to discharge its functions independently with vigour and passion. Their diligence and prudent management of resources has been result-oriented and much has been achieved during their term in office. They have been able to interpret government policies and TVET act as well as other relevant laws in existence making the institution to move forward as we actualize the strategic plan. Moving forward, the board is aligning its discharging of duties by improving on its operations while surpassing the set targets where possible. In the interest of quality service delivery, the board is able to read from the same script as the render their duties above board.

This will be attained with the incorporation of team spirit and self-sacrifice that is deep within them.

BOG remuneration

It is the policy of the college not to pay any salary to the BOG. However, BOG members are reimbursed transport expenses incurred in attending meetings and data allowances for online meetings.

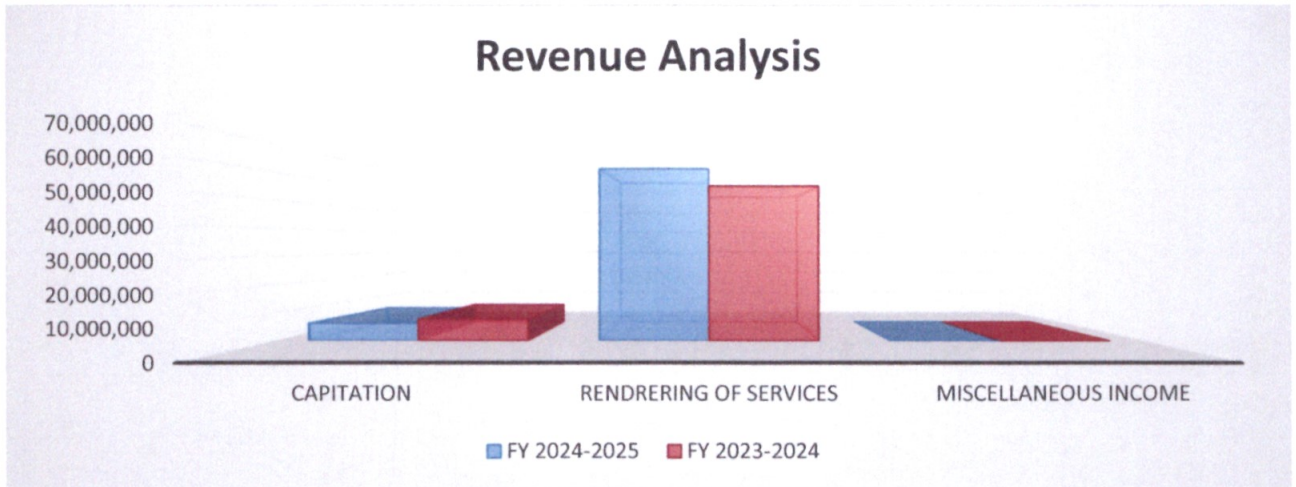
The total reimbursement for the year was ksh. **1,078,683/=**.

9. Management Discussion and Analysis

Kinangop Technical and Vocational College operational and financial performance

During the year ended 30th June 2025, the trainee population dropped to 1,348. The student population has greatly been affected by the new funding model while has led to low student enrolment and high rate of trainee drop out. In addition, the change in curriculum has also affected the student enrolment.

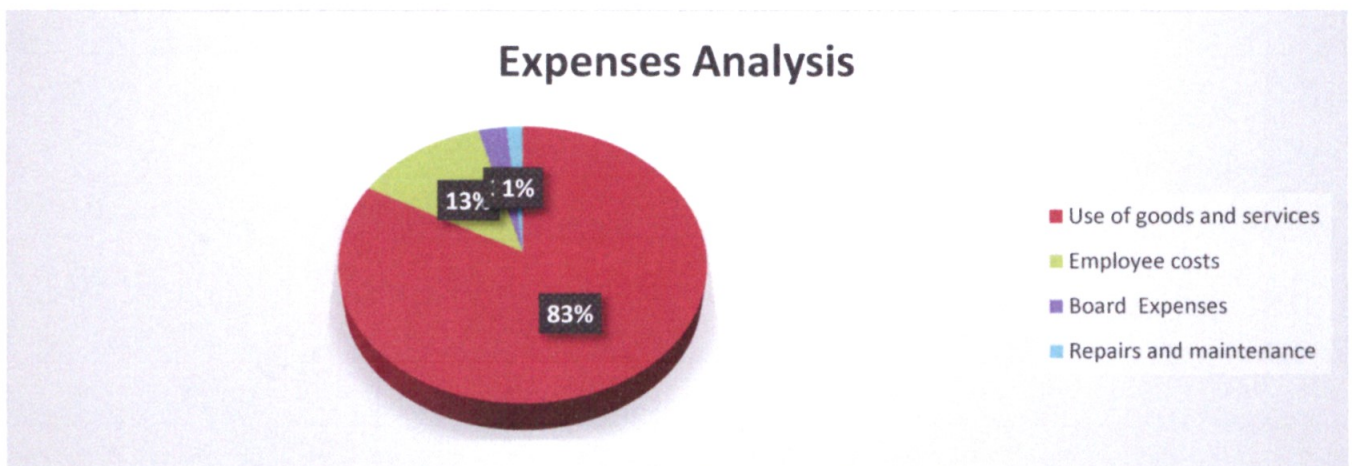
Below are the graphs and pie charts analyzing the revenues and expenses of the institution?



The above graph compares the revenues between the rendering of services and government capitation.

Rendering of services income is expected to increase in financial year 2024/2025 compared to previous financial years.

The contribution of each expense a percentage of total expenses is as shown below.



10. Environmental and Sustainability Reporting Statement

Sustainability strategy and profile

Kinangop Technical and Vocational College exists to transform lives by instilling skills to the trainee that will make the resourceful the surrounding societies. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, putting the customer/Student first, delivering quality training, and improving operational excellence.

Environmental performance

With the guidance of National Environment policy 2013, Kinangop Technical and Vocational College seek to reduce negative environmental impact caused by improper way of living in several ways such as:

1. Encouraging proper disposal of non-decomposing items
2. Continuous planting of tree
3. Water harvesting to ensure that there is clean water for consumption in case of drought.

Employee welfare

Kinangop Technical and Vocational College follow a competitive recruitment and Selection policy while hiring its employee whereby they put into account gender ratio. The entity ensures there is continuous training for the employee.

Market place practices-

Kinangop Technical and Vocational College has ensured fair competition through offering the best skills to the trainees and ensuring that its trainers get continuous training to deliver as expected. The entity ensures that there is equitability in service delivery to all the trainees irrespective of gender and ethnicity.

The entity ensures that it follow the supply chain process as clearly outlined under the procurement and Disposal act.

Kinangop Technical and Vocational College deploys various methods in advertising its services and creating awareness such as social media, fliers and follow up. There is also actively involved in educating the surrounding on proper ways of Sanitation to ensure we maintain a healthy environment.

Corporate Social Responsibility / Community Engagements

During the year under review, the college carried out various CSR activities to impact the society like tree planting at Aberdare Forest and children homes visits at Dedan Kimathi Children home.

13. Report of the Board of Governors

The board members submit their report for the year ended 30th June 2025 which show the state of Kinangop Technical and Vocational College affairs.

Principal activities

The principal activities of the entity are training and development of human resource in various fields

Results

The results of the Kinangop TVC for the period ended June 30, 2025 are set out on page 1 to 36.

Board of governance

The members of the board who served during the year are shown on page vii-viii. During the year, new board was appointment.

Auditors

The auditor general is responsible for the statutory audit of Kinangop TVC in accordance with article 229 of the constitution of Kenya and the public audit act 2015.

By order of the board.



Mrs. Agnes Gachenge
Principal/Secretary BOG

Date: 26th August, 2025

12. 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 the Board to prepare financial statements in respect of Kinangop Technical and Vocational College, which give a true and fair view of the state of affairs of the Kinangop Technical and Vocational College at the end of the financial year and the operating results of Kinangop Technical and Vocational College for that year. The board members are also required to ensure that the Kinangop Technical and Vocational College keeps proper accounting records that disclose with reasonable accuracy the financial position of the Kinangop Technical and Vocational College. The members are also responsible for safeguarding the assets of Kinangop Technical and Vocational College.

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

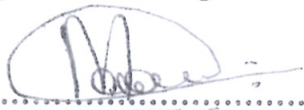
The members accept responsibility for the Kinangop Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with international public sector accounting standards (IPSAS), and in the manner required by the PFM act, 2012 and (*the TVET act of 2013*) the board of governors are of the opinion that the *KinangopTVC's* financial statements give a true and fair view of the state of Kinangop Technical and Vocational College transactions during the financial year ended June 30, 2025, and of the Kinangop Technical and Vocational College's financial position as at that date. The members further confirm the completeness of the accounting records maintained for the Kinangop Technical and Vocational College, which have been relied upon in the preparation of the Kinangop Technical and Vocational College's financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

The board approved Kinangop Technical and Vocation College's financial statements on 25th August 2025 and signed on its behalf by:



.....
Prof. Naomi Gikonyo
Chairperson of the Board/Council



.....
Mrs. Agnes Gachenge
Accounting Officer/Principal

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KINANGOP 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kinangop Technical and Vocational College set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2025 and the statement of Financial Performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

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

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

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

Basis for Qualified Opinion

Long Outstanding Receivables from Exchange Transactions

The statement of financial position and Note 15 to the financial statements reflects receivables from exchange transactions balance of Kshs.82,408,926. Review of financial records revealed receivables amounting to Kshs.52,270,459 (63%) had been outstanding for more than two (2) years. Management did not explain the measures put in place to collect the outstanding receivables. Further, no provision was made for uncollectable amounts contrary to the accounting policy which stipulates that receivables are recognized at fair value less allowances for any uncollectable amounts.

In the circumstances, the accuracy, completeness and recoverability of the receivables from exchange transactions of Kshs.82,408,926 could not be confirmed.

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

Emphasis of Matter

Budgetary control and Performance

The statement of comparison of budget and actual amounts reflects budgeted receipts and actual on comparable basis amounting to Kshs.97,544,750 and Kshs.67,400,689 respectively resulting in revenue under collection of Kshs.30,144,061 or 31 % of the budget. Similarly, the College expended Kshs.39,627,106 against an approved budget of Kshs.54,850,927 resulting to an under expenditure of Kshs.15,223,821 or 28% of approved budget.

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

The under-funding and under-expenditure imply that some of the planned activities were not implemented which could impact negatively on the achievement of the overall goals and objectives of the College.

My Opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

In connection with my audit on the Kinangop Technical and Vocational College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain

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

assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

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

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

08 December, 2025

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

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

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

	Notes	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	6,218,106	7,733,328
		6,218,106	7,733,328
Revenue from Exchange transactions			
Rendering of services- fees from students	7	61,083,413	54,990,511
Miscellaneous income	8	99,170	127,854
Revenue from Exchange transactions		61,182,583	55,118,365
Total Revenue		67,400,689	62,851,693
Expenses			
Use of goods and services	9	32,840,529	20,712,203
Employee costs	10	5,108,362	3,490,142
Board Expenses	11	1,078,683	856,685
Depreciation and amortization expense	12	4,520,210	3,854,790
Repairs and maintenance	13	599,532	578,266
Total Expenses		44,147,316	29,492,086
Net surplus/(deficit) for the year		23,253,373	33,359,607

(The notes set out on pages 8 to 36 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 8 to 36 were signed by:



Chairman of Board

Date:27-10-2025



Finance Officer

ICPAK No:ASSOC/4619

Date:27-10-2025



Principal

Date:27-10-2025

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

Scholarship/capitation	FY 2024-2025
Money Received from State Department as per appendix 111	18,481,653
Amount was credited to the trainee personal accounts so that it can reduce their balances. This is because as per the new funding model, trainees are invoiced the entire amount of Kshs.67,189 which is paid by HELB Loan, scholarship and House hold contribution	12,263,547
Money Received from State Department as per statement of Financial performance	6,218,106

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

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

Description	Notes	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	407,864	1,177,616
Current portion of receivables from exchange transactions	15(a)	82,408,926	52,270,459
Receivables from non-exchange transactions	16	0	0
Total Current Assets		82,816,790	53,448,075
Non-Current Assets			
Property, plant, and equipment	18	71,568,598	65,255,534
Intangible assets	19	364,206	410,257
Total Non-Current Assets		71,932,804	65,665,791
Total Assets		154,749,594	119,113,866
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	8,319,296	1,089,680
Refundable deposits from customers	21	2,140,000	1,675,000
Current provisions	22	0	0
Payments received in advance	23	6,893,061	2,205,324
Total Current Liabilities		17,352,357	4,970,004
Non-Current Liabilities			
Non-Current Provisions		-	-
Total non- current liabilities		-	-
Total Liabilities		17,352,357	4,970,004
Net Assets		137,397,237	114,143,862
Revaluation Reserves			-
Accumulated Surplus		71,430,846	48,177,472
Capital Fund		65,966,391	65,966,391
Total Net Assets and Liabilities		137,397,237	114,143,862

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

Description	Notes	FY 2024-2025	FY 2023-2024
		Kshs	Kshs

The Financial Statements set out on pages 8 to 30 were signed by:



.....
Chairman of Board
Prof. Naomi Gikonyo

Date: 27-10-2025



.....
Finance Officer
Joyce Maina
ICPAK No: ASSOC/4619

Date: 27-10-2025



.....
Principal
Mrs. Agnes Gachenge

Date: 27-10-2025

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

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023 (previous year)	-	14,817,865	44,797,175	59,615,040
Revaluation gain	-	-	21,169,216	21,169,216
Surplus/(deficit) for the year	-	33,359,607	-	33,359,607
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	-	48,177,472	65,966,391	114,143,863
At July 1, 2024 (current year)	-	48,177,472	65,966,391	114,143,863
Valuation of assets	-			
Surplus/(deficit) for the year	-	23,253,373		23,253,373
Capital grants received during the year	-			
Transfer of depreciation/amortisation from capital fund to Retained earnings	-			
At June 30, 2025	-	71,430,846	65,966,391	137,397,237

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

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

Description		FY 2024-2025	FY 2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		6,218,106	7,733,328
Rendering of services- fees from students		36,104,683	16,744,171
Un deposited fund		6,770	309,069
Miscellaneous income		21,400	73,825
Total Receipts		42,350,959	24,860,393
Payments			
Use of goods and services		25,479,664	13,909,494
Employee costs		5,108,362	3,490,142
Board Expenses		1,078,683	856,685
Repairs and maintenance		493,640	578,266
Total Payments		32,160,349	18,834,587
Net Cash Flows from operating activities	24	10,190,610	6,025,806
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(10,960,363)	(6,399,582)
Proceeds from sale of property, plant and equipment			-
Net cash flows used in investing activities		(10,960,363)	(6,399,582)
Cash flows from financing activities			
Proceeds From Borrowing		-	
Repayment Of Borrowings		-	
Net cash flows used in financing activities		-	-
Net Increase/(Decrease)in Cash and Cash equivalents		(769,753)	(373,776)
Cash and Cash equivalents at1JULY 2024	14	1,177,616	1,551,392
Cash and Cash equivalents at30 JUNE 2025	14	407,864	1,177,616

NB

Investing Activities	FY 2024-2025	FY 2023-2024
PPE ADDITION	10,742,223	7,077,262
INTANGIBLE ASSET	45,000	348,000
TOTAL	10,787,223	7,425,262
Add Account payable B/F	1,025,680	1,025,680
Less account Payable C/F	852,540	0
Total	10,960,363	6,399,582

KINANGOP TECHNICAL AND VOCATIONAL COLLEGE

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

<u>Operating activities</u>	FY 2024-2025	FY 2023-2024
Net cashflow-Cashflow statement	10,190,610	6,025,806
Less net payable	173,140	1,025,680
Net cash-flow from note no 24	10,017,470	7,051,486
In cash flow statement the net payables affect the investing activities since it is an addition in ppe while in Note No.24 affect the increase in payables therefore leading to the variance in operating activity		

KINANGOP TECHNICAL AND VOCATIONAL COLLEGE
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18. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue						
Transfers from other National Government entities	5,376,000	1,584,000	6,960,000	6,218,106	741,894	10%
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other levels of government	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- fees from students	163,108,155	72,723,405	90,384,750	61,083,413	29,301,337	32%
Sale of goods	-	-	-	-	-	-
Rental revenue from facilities and equipment	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Miscellaneous Income	400,000	200,000	200,000	99,170	100,830	50%
Total Income	168,884,155	74,507,405	97,544,750	67,400,689	30,144,061	31%
Expenses						
Use of goods and services	92,100,976	48,256,129	43,844,847	32,840,529	11,004,318	25%
Employee costs	11,368,600	4,424,200	6,944,400	5,108,362	1,836,038	26%
Board Expenses	2,611,680	-	2,611,680	1,078,683	1,532,997	59%
Repairs and maintenance	4,810,000	3,360,000	1,450,000	599,532	850,468	59%
Total Expenditure	110,891,256	56,040,329	54,850,927	39,627,106	15,223,821	28%
Surplus For the Period	0	-	0	27,773,583		-
Capital Expenditure	57,992,899	15,299,076	42,693,823	11,687,223	31,006,600	72%

NOTE

SURPLUS	FY 2024-2025	FY 2023-2024
Statement of Financial Performance	23,253,373	33,359,607
Depreciation	4,520,210	3,854,790
Statement of Comparison of budget and Actuals	27,773,583	37,214,397
The variance is as a result of depreciation which is captured in the statement of financial performance while calculating the surplus but omitted on the Statement of comparison since it's a non cash item		

Budget notes

1. Transfer from National Government under performance was as a result non-disbursement of capitation and scholarship during this financial year.
2. The original budget was not the same as the final budget as there were adjustments during the year due to decreased trainee enrolment.
3. Underutilization in expenses resulted from non-disbursement of scholarship and capitation.

19. Notes to the Financial Statements

1. General Information

Kinangop Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2013. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgement 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 Kinangop Technical and Vocational 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 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2025.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(There is no Impact of this standard on the Entity)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p><i>(There is no impact of this standard on the Entity)</i></p>
<p>Amendments to Other IPSAS resulting from</p>	<p>Applicable: 1st January 2023:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.

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

Standard	Effective date and impact:
IPSAS 41, Financial Instruments	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(There is no impact of this Standard on the Entity)</i></p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p><i>There is no impact of this standard on the Entity</i></p>

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>There is no impact of this standard on the Entity</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>There is no impact of this standard on the Entity</i></p>

iii. Early adoption of standards

Kinangop Technical and Vocational College did not early-adopt any new or amended standards in year 2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The Council or Board approved the original budget for FY 2024/2025 on **30TH JUNE, 2024**. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented on page **xx** under section **xxx** of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule 1(10) of the **income tax** Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

Depreciation on all other assets is calculated on the reducing balance basis method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Buildings	4
Plant and machinery	8
Motor vehicles	25
Furniture and fittings	13
Computer equipment	33

f) Leases

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

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following

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initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

k) Provisions

Provisions are recognized when Kinangop Technical and vocational 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 Kinangop Technical and Vocational 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

Kinangop Technical and Vocational 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

Kinangop Technical and Vocational 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 *Entity* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

Kinangop Technical and Vocational College does not create and does not maintain reserves in term of specific requirement.

m) Changes in accounting policies and estimates

Kinangop Technical and Vocational 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.

n) Employee benefits

Retirement benefit plans

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

o) Foreign currency transactions

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

p) 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.

q) Related parties

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) Service concession arrangements

Kinangop Technical and Vocational 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, Kinangop Technical and Vocational 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 Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and 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.

t) Comparative figures

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

u) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	5,218,450	5,733,328
Operational Grant	999,656	2,000,000
Total unconditional Grants	6,218,106	7,733,328

7. Rendering of Services

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Tuition Fees	29,739,063	29,921,525
College ID	93,000	232,600
Examination fee	4,591,470	1,866,259
KUCCPS Fee	495,000	1,711,500
Registration fee	233,000	580,500
Student Governance Fee	269,300	621,500
Activity Income	3,609,795	2,859,966
EWC	3,206,025	2,309,989
LTT	3,234,311	2,311,081
Medical And Insurance	1,682,494	1,299,927
PE	10,655,026	7,627,472
RMI	2,504,929	2,250,803
Practical Materials	537,000	546,320
TVETA Fee	233,000	542,000
Un deposited fund	0	309,069
Total Revenue from The Rendering of Services	61,083,413	54,990,511

(The above revenue include the scholarship of Kshs. 12,263,547 as the trainees are invoiced the entire amount of kshs.67,189 which is supposed to be supposed to paid by scholarship, helb loan and household contribution)

8. Miscellaneous Income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Food sale from hospitality department	11,400	40,675
Miscellaneous income (<i>short courses and lost items</i>)	87,770	87,179
Total other income	99,170	127,854

Notes To the Financial Statements (Continued)

9. Use of Goods and Services

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
subscription	666,615	376,950
Activity fee	698,136	1,280,097
Asset Valuation/Asset tagging	188,060	100,800
Exam Materials	9,463,915	1,887,920
Exam Registration	3,677,450	1,676,900
EWC	5,544,188	7,000
Administrative Expenses	439,460	250,305
Internet Services	293,047	134,336
Printing and stationery	611,483	462,835
Marketing Expenses	1,129,827	695,930
Postage and Delivery	9,225	9,595
Travelling and accommodation	2,613,500	2,496,392
Seminars and Trainings	933,830	502,700
Professional and consultancy services	84,200	45,600
Industrial Attachment Cost	70,500	274,000
Telephone expenses	336,500	182,000
Cleaning expenses	94,370	26,530
Student Council	480,975	61,850
Miscellaneous Expenses	0	-
Safety and Health	76,328	-
Bank Charges	39,334	26,895
Fees Refund	21,723	49,235
Insurance	37,250	30,500
Security services	693,400	540,000
Strategic Plan/Policy Review	193,000	-
Withholding Income Tax	102,036	-
Withholding VAT Tax	139,579	-
Teaching Materials/Training expenses	2,997,562	1,622,699
Greening Expenses	31,000	65,019
Research and Development	319,152	239,900
Staff welfare	480,520	161,715
Student Placement	0	528,000
Bad Debts-Accrued Capitation	0	6,929,500
Master Plan Expenses	0	47,000
PC	295,364	0
Dual Training	79,000	0
Total good and services	32,840,529	20,712,203

10. Employee Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Net pay for Salary and Wages	4,095,346	2,763,064
NSSF	431,220	319,800
NHIF	101,506	90,678
Affordable Housing Levy	107,807	86,550
Nita Levy	8,600	8,050
Helb Deduction	18,838	0
PAYEE	21,545	0
Casual Wages	323,500	222,000
Employee Costs	5,108,362	3,490,142

11. Board Expenses

Description	FY 2023-2024	FY 2023-2024
	Kshs	Kshs
Board of Governance Allowances	1,078,683	856,685
Total	1,078,683	856,685

12. Depreciation and Amortization expense

Description	FY 2023-2024	FY 2023-2024
	Kshs	Kshs
Property ,plant and equipment	4,429,159	3,752,226
Intangible assets	91,051	102,564
Total depreciation and amortization	4,520,210	3,854,790

13. Repairs and Maintenance

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Property	599,532	578,266
Total Repairs and Maintenance	599,532	578,266

Notes to the Financial Statements (Continued)

14. Cash and Cash Equivalents

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Accounts	407,864	1,177,616
Total Cash and Cash Equivalents	407,864	1,177,616

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

Financial Institution	Account number	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1290665540	185,894	337,490
Equity Bank, etc.	0160265845254	195,020	838,962
Sub- Total		380,914	1,176,452
b) Others(Specify)			
Cash in Hand		26,950	1,164
Sub- Total		26,950	1,164
Grand Total		407,864	1,177,616

15. Receivables from Exchange transactions

15(a) Current Receivables from Exchange transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	82,408,926	52,260,459
Other Receivables	0	10,000
Total Current Receivables	82,408,926	52,270,459

15(b) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2023-2024		FY 2023-2024	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	30,138,467		40,384,443	77%
Between 1- 2 years	40,384,443		7,784,066	14%
Between 2-5 years	11,886,016		4,101,950	9%
Total (a+b)	82,408,926		52,270,459	100%

16. Receivables from Non-Exchange transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Receivables		
Capitation Grants*	0	6,929,500
Total Current Receivables	0	6,929,500

(*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	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year			0	0
Between 1- 2 years			0	0
Total			0	0

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18. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and Machinery	Books and Journals	Textiles	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs.	Kshs.	Kshs
		0.04	0.13	0.33	0.08	0.2		
At 1 July 2023 (previous year)	0	44,750,505	977,620	247,400	452,100	0	0	46,427,625
Additions	0	4,066,826	2,141,541	437,335	431,560	0	0	7,077,262
Disposals	0	-	-	0	0	0	0	0
Transfers/Adjustments	12,000,000	0	991,460	1,455,265	6,593,690	123,800	0	21,164,215
At 30th June 2024 (previous FY)	12,000,000	48,817,331	4,110,621	2,140,000	7,477,350	123,800	0	74,669,102
Additions	0	5,735,285	611,350	2,605,854	1,725,234	0	64,500	10,742,223
Disposals	0	0	0	0	0	0	0	0
Transfer/Adjustments	0	0	0	0	0	0		0
At 30th June 2025 (current year)	12,000,000	54,552,616	4,721,971	4,745,854	9,202,584	123,800	64,500	85,411,325
Depreciation And Impairment								
At 1 July 2023 (previous year)	0	5,243,492	229,130	74,220	114,500	0	0	5,661,342
Depreciation	-	1,952,137	504,594	681,707	589,028	24,760	0	3,752,226
Disposals	-	-	-	0	-			0
Impairment	0	0	0	0	0			0
At 30 Jun 2024 (previous year)	0	7,195,629	733,724	755,927	703,528	24,760	0	9,413,568
Depreciation	-	1,894,279	518,472	1,316,676	679,924	19,808	0	4,429,159
Disposals	-	0	0	0	0	0	0	0
Impairment	-	0	0	0	0	0	0	0
Transfer/Adjustment	-	0	0	0	0	0	0	0
At 30th Jun 2025 (current year)	-	9,089,908	1,252,196	2,072,603	1,383,452	44,568	0	13,842,727
Net Book Values								
At 30th Jun 2024 (previous year)	12,000,000	41,621,702	3,376,897	1,384,073	6,773,822	99,040	0	65,255,534
At 30th Jun 2025 (current year)	12,000,000	45,462,708	3,469,775	2,673,251	7,819,132	79,232	64,500	71,568,598

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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).

18 (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	12,000,000	0	12,000,000
Buildings	54,552,616	9,089,908	45,462,708
Plant And Machinery	9,202,584	1,383,452	7,819,132
Books and Journal	123,800	44,568	79,232
Computers and Related Equipment	4,745,854	2,072,603	2,673,251
Office Equipment, Furniture, And Fittings	4,721,971	1,252,196	3,469,775
Textiles	64,500	0	64,500
Total	85,411,325	12,842,727	71,568,598

19.Intangible Assets

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
	0.2	0.2
Cost		
At beginning of the year	554,026	206,026
Additions	0	348,000
At end of the year	554,026	554,026
Additions–internal development	45,000	0
At end of the year	599,026	554,026
Amortization and impairment		
At beginning of the year	143,769	41,205
Amortization	0	102,564
At end of the year	143,769	143,769
Impairment loss	91,051	0
At end of the year	234,820	143,769
NBV	364,206	410,257

20. Trade and Other Payables

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Trade payables	8,319,296		1,025,680	
Other Payables	-		64,000	
Total Trade and Other Payables	8,319,296		1,089,680	
			Current FY	% of the Total
Ageing analysis:				
Under one year	8,319,296	99%	1,025,680	94%
1-2 years	-	1%	64,000	6%
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	8,319,296		1,089,680	100%

21. Refundable Deposits from Customers/Students

Description	FY 2024-2025		FY 2023-2024	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	2,140,000		1,675,000	
Other refundable deposits	-		-	
Total Deposits	2,140,000		1,675,000	
			Current FY	% of the Total
Ageing analysis:				
Under one year	465,000		1,165,000	70%
1-2 years	1,165,000		92,000	5%
2-3 years	92,000		418,000	25%
Over 3 years	418,000		-	-
Total (to tie to totals deposits above)	2,140,000		1,675,000	100%

22. Current Provisions

Description	Leave provision	Bonus provision	Gratu	Other	Total
	provisio	provisio	ity	provisio	
	n	n	Provis	provisio	
	n	n	ions	n	
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance at The Beginning of The Year	-	-	-	-	-
Additional Provisions for doubtful debts	-	-	-	-	-
Provision Utilised	-	-	-	-	-

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Change Due To Discount And Time Value For Money	-	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-	-
Total Provisions	-	-	-	-	-

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

The entity does not operate a defined benefit scheme for all full-time employees' entity but contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 12% of the gross salary per employee per month where the employee contribute 6% and the employer 6%.

23. Payments received in advance.

Description	FY 2024-2025	FY 2023-2024	
	Kshs	Kshs	
Fees received in advance	6,893,061	2,205,324	
Total	6,893,061	2,205,324	
Ageing analysis:		Current FY	% of the Total
Under one year	4,687,737	833,277	38
1-2 years	833,277	1,372,047	62
2-3 years	1,372,047		
Over 3 years			
Total	6,893,061	2,205,324	100

24. Cash generated from operations.

Surplus for the year before tax	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Adjusted for:	23,253,373	33,359,607
Depreciation	4,520,210	3,854,790
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
Working Capital Adjustments		-
Increase in Inventory	-	-
Increase in Receivables	-25,450,729	-39,156,150
Decrease in accrued grant	0	6,929,500
Increase in Payables	7,293,616	908,739
Increase in salary advance	0	-10,000
Increase in caution money	401,000	1,165,00
Net Cash Flow from Operating Activities	10,017,470	7,051,486

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

Notes to the Financial Statements (Continued)

25. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions	52,270,459	52,270,459	-	-
Receivables from non-exchange transactions	0	0	-	-
Bank balances	1,177,616	1,177,616	-	-
Total	53,448,075	53,448,075	-	-
At 30 June 2025(current year)				
Receivables from exchange transactions	82,408,926	82,408,926	-	-
Receivables from non-exchange transactions	0	0	-	-
Bank balances	407,864	407,864	-	-
Total	82,816,790	82,816,790	-	-

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

Notes to the Financial Statements (Continued)
Financial risk management (continued)

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

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Trade Payables	-	2,700,680	64,000	2,764,680
Deferred Income	-	2,205,324	-	2,205,324
Total	-	4,906,004	64,000	4,970,004
At 30 June 2025 (current year)		2,700,680	64,000	2,764,680
Trade Payables	-	8,319,296	-	8,319,296
Deferred Income	-	6,893,061	-	6,893,061
Total	-	15,212,357	-	15,212,357

Financial risk management (continued)

(iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates, which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities			
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

Foreign currency sensitivity analysis

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

U	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	NONE	NONE
Usd	10%	NONE	NONE
20xx			
Euro	10%	NONE	NONE
Usd	10%	NONE	NONE

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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

iv)Capital Risk Management

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

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	71,430,845	48,177,471
Capital Reserve	65,966,391	65,966,391
Total Funds	137,397,236	114,143,862
Total Borrowings	0	0
Less: Cash and Bank Balances	407,864	1,177,616
Net Debt/(Excess Cash and Cash Equivalents)	-407,864	-1,177,616
NET Gearing	-337	-96

26. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

27. Events After The Reporting Period

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

28. Ultimate And Holding Entity

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

29. Currency


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

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Appendix III- Inter-Entity Confirmation Letter

Kinangop Technical and Vocational College
P.O Box 267-20319
South Kinangop.

The *Kinangop Technical and Vocational College* wishes to confirm the amounts disbursed to us as at 30TH June 2025 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 [Kinangop Technical and Vocational College] as at 3th JUNE 2025							
Referen ce Numbe r	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2025				Amount Received by [Kinangop Technical and Vocational college] (Kshs) as at 30 th June 2025 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Develop ment (B)	Inter- Ministerial (C)	Total (D)=(A+B+C)		
	Capitation/gr ant						
1.	31/07/2024	500,000	0	0	500,000	499,828	172
2.	23/09/2024	1,254,025	0	0	1,254,000	1,254,025	0
3.	2/10/2024	500,000	0	0	500,000	499,828	172
4.	14/02/2025	3,964,425	0	0	3,964,425	3,964,425	0
		6,218,425			6,218,425	6,218,106	344
	Scholarship						
1.	20/09/2024	201,567	0	0	201,567	201,395	172
2.	20/09/2024	524,074	0	0	524,074	523,901	173
3.	20/09/2024	11,502,757	0	0	11,502,757	11,502,181	576
4.	23/09/2024	47,032	0	0	47,032	46,860	172
5	23/09/2024	349,383	0	0	349,383	349,210	173
Total		12,624,813			12,624,813	12,263,547	1,266
In confirm that the amounts shown above are correct as of the date indicated.							
Head of Accountants department of beneficiary Entity:							
Name : JOYCE MAINA		Sign			Date 26/08/2025		