

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 02 APR 2026

DAY.

Thursday

REPORT

TABLED
BY:

Deputy Majority Whip
Hon. Naomi Wagg MP

CLERK-AT
THE-TABLE:

Halima Ahmed

PARLIAMENT
OF KENYA
LIBRARY

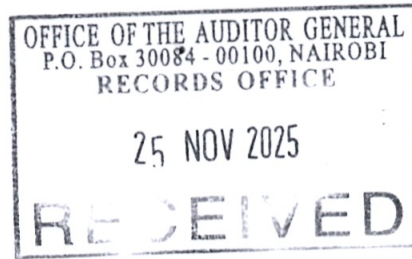
OF

THE AUDITOR-GENERAL

ON

LARI TECHNICAL AND VOCATIONAL
COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2025



LARI 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)

Lari Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management.

(a) Background information

Lari Technical and Vocational College was incorporated/ established under the TVET Act 2013 of the laws of Kenya to offer technical and vocational training (TVET) on (10 June 2019). The Lari Technical and Vocational College is domiciled in Kenya and the institution is under the Ministry of Education. The Board of Governors (BOG) which is appointed by Ministry of Education in Consultation with the stakeholders oversees the day-to-day running of the Institute.

(b) Principal Activities

The principal activity/mission/ mandate of the Lari Technical and Vocational College is to provide technical vocational training.

(c) Key Management

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

- Board of Governors.
- Accounting officer/ Principal
- Deputy Principal Academics
- Deputy Principal Administration
- Registrar
- Dean of Student
- Finance Officer
- Head of Department

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Francis M. Muriithi
2.	Deputy principal Finance	John Mungai Mwangi
3	Deputy principal Academics	Samuel Kamau Ndothua
4	Registrar	John Kago
5	Dean of students	Nushio Rono
6	Head of Finance	Antony Kigotho Kinyanjui
7	HOD agriculture department	Timothy Kinyua
8	HOD applied science department	Antony Bundi
9	HOD ICT department	Edward Nyambane
10	HOD games and recreation	Timothy Kinyua
11	HOD internal quality assurance	Nushion Rono
12	HOD industrial Liaison	Simon Kagwe Kamau
13	Performance contract officer	John Mungai Mwangi

Lari Technical and Vocational College

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SN.	Designation	Name
14	HOD Cosmetology	Ann Nyagah
15	HOD Electrical engineering	Penzi Langat
16	HOD Bulding department	Mr Munguti

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Finance, Planning and Development Committee

Responsibilities:

1. To receive, consider and submit the proposed budget estimates from the various institute department for approval by the Board;
2. To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Board;
3. To report to the Board all matters related to finance and development;
4. To ensure that accurate records are kept on the establishments in the Institute;
5. To consider and recommend to the Board the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the Institute;
6. To report to the Board on the progress of physical infrastructure development of the Institute;
7. To prepare Institute Development plans for an approved period and submit to the Board; and
8. To exercise such other powers as the Board may from time-to-time delegate to the Committee.

Audit and risk committee

Responsibilities:

- a) To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;
- b) To review external audit findings and recommendations and propose corrective and preventive actions where necessary;
- c) To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics;
- d) To initiate special audits and or investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer; and
- e) To exercise such other powers as the Board may from time-to-time delegate to the Committee.

(f) Entity Headquarters

P.O. Box 10- 00222
Lari TVC Building
Uplands-Kagaa- Githunguri Road Highway
LARI, KENYA




- (g) **Entity Contacts**
Telephone: (254) 0798 595 756
E-mail: Lari1tvc@gmail.com
Website: www.laritvc.go.ke.
- (h) **Entity Bankers**
Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
- Other Commercial Banks
KCB BANK
Limuru Branch
Account number 1262609909
- (i) **Independent Auditors**
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

Key Entity Information and Management (Continued)





(j) Principal Legal Adviser

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

3.The Council/Board of Governors

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Mr. Jeremiah Nyori Mbugua	DOB- 1 st September 1970 PHD-Agricultural Entrepreneurship Bachelor of value chain Director Extension and Technology- JKUAT
2.	 Mr. Francis M. Muriithi	DOB – 12 th November 1969 Bachelor of Automotive Engineering
3.	 Eng. George Waithaka	DOB-20 th AUGUST 1970 Bsc. Civil Engineer.




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4.		<p>DOB- 11th November 1968 Mary Wanjiru Kigotho BBA at Kenya Methodist University CPA (K)</p>
5.		<p>DOB-17th June 1962 Rhoda Nyambura Kimathi Bachelors of Education and Couselling (Arts) S Diploma in Education</p>
6.		<p>DOB-7th August 1960 James Muli Munyao Masters of Science (Immunology) Bachelor of Education(Science)Chemistry, Zoology</p>
7.		<p>DOB-29th February 1988 Simon Gachoka Wanjiru Masters in Gender and Development Studies</p>

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

8.		DOB- 15 th May 1970 Margaret Nyambura Kimani. PHD – Ongoing. Masters in Project planning and Management
9.		DOB-2 nd February 1956 Simon Mutua Mwangangi Bachelor of Education

4. Key Management Team

1.	 <p>Mr. Francis M. Muriithi</p>	<p>DOB – 12th November 1969 Bachelor of Automotive Engineering</p>
2.	 <p>Mr. Samuel N. Ndothua</p>	<p>Acting Deputy Principal DOB- 8th February 1967 PGD in Education Bsc in Agricultural engineering</p>
3.	 <p>Mr John Mungai Mwangi</p>	<p>Deputy Principal Administration & Finance DOB 18th June 1985 Diploma in Technical Teacher Education BSC Computer Science</p>

5. Chairman’s Statement

It is my pleasure to present Lari technical and vocational college annual Financial Statements for the financial year ended 30 June, 2025. The Institute Board notes with appreciation the continued support of the Government and other stakeholders in running the institution. The Institute has continued to offer quality programmes that are market-driven and meet the demands of the market. The Board endeavours to work with the industries, strategic partners and other stakeholders in order to provide facilities that meet the challenges the institute is facing.

There has been a steady increase in student population and expansion of the academic programmes, which has exerted a lot of pressure on the existing facilities, thereby necessitating the need for putting up more training facilities. The Board in collaboration with the relevant stakeholders is committed towards delivering the same.

During the financial year 2024/2025, the Institute embarked on various activities among them;

- a) Pursuing the ownership document of the land where the institute is built.
- b) Construction of kitchen/ dining hall.
- c) Mounting of various academic programmes which the institute has been licensed to offer.

The Institute introduced the competence-based programmes, which are geared to support the government’s four agenda.

Institute has faced numerous challenges attributed to the late release of the GoK operations grants and capitation grant which were already factored in the 2024/2025 financial year budget resulted to underfunding of the institute budget and downsizing the funding of the departmental budgets. We continued with the measures of setting up of management and governance structures that reflect Institute status.

I finally, wish to thank all stake holders for their continued support and dedication, even as we together strive to achieve greater heights.

Jeremiah N. Mbugua.



Sign
Chairman, Board of Governors.

25/11/25

Lari Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

6. Report of the Chief/Senior Principal

I am pleased to present the Annual report and Financial Statements of Lari Technical and Vocational College for the financial year ended 30 June, 2025. Lari Technical and Vocational College is academic institution committed in equipping trainee with knowledge, skills and right attitudes through Technical, Innovation and Vocational Education and Training for self-reliance of our trainees and bridges the skill gap in the market.

Academic and Student affairs

During the financial year under review, the Institute remained on course. The main focus of the institute was on provision of relevant training and education and intended to consolidate and shape the Institute with a view to living up to institute of choice in the country.

The Institute also embarked on rationalization of structures aligning Academic Programmes in order to focus on our niche.

At the start of 2024/2025 academic year, the Institute introduced the competence-based programmes, which was geared to support the government's BETA agenda. When fully implemented, this will result to increase of revenue for the Institute.

Special appreciation goes to all the students who chose Lari Technical and Vocational College as their place of study. Further the institute is committed to offering market-driven academic programmes for industrial and socio-economic growth.

Lari Technical and Vocational College continued to support the welfare of her main stakeholders (students) to enhance their academic environment in the spirit of producing holistic graduates.

In order to reduce incidences of dropping out of institute due to lack of fees, the Institution is encouraging registration of the trainees with KUCCPS, HELB for Loans/ bursaries application and also sensitised the trainees on the alternative sources of funding like NG CDF.

The institution initiated pursuing the ownership documents of the land where the institute is sitting.

Financial Sustainability

During the financial year, the Institute put in place the necessary financial, procurement and internal control measures on resource utilization to ensure that it meets the targets of revenue collection and cost control measures.

I express my sincere gratitude to the Government of Kenya and in particularly the State Department of Technical & Vocational Training for funding the Institution

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The Governments BETA agenda, which is key to bolster strong inclusive economic growth and contribution to the Vision 2030 have also guided the institute.

Finally, I thank all the stakeholders including GOK, the local community, donors, our bank, suppliers and service providers for their continued support and cooperation.

Mr Francis M. Muriithi



Sign.....

Principal/ BOG Secretary

25/11/25

7. Statement of Performance against Predetermined Objectives

Lari Technical and Vocational College has three strategic pillars /issues/ themes and objectives within current Strategic Plan for the year 2023- 2028. These strategic pillars are as follows:

Pillar/ theme/issue 1: Economic

Pillar/ theme/ issue 2: Social

Pillar/ theme/ issue 2: Enablers

Lari TVC develops its annual work plans based on the above pillars. Assessment of the Board’s performance against its annual work plan is done regularly. The institution achieved its performance targets set for the FY 2024/2025 period for its three strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar / theme / issue 1 Economic	To ensure prudent financial management	Enhance financial sustainability by increasing amount of fees revenue	Develop fees collection policy Regularly updates of the fee register	Policy developed and being implemented.
	To ensure stewardship and accountability	Approved budget by the board	Preparation of the budget Seeking approval from the board	FY 22/23 budget
Pillar / theme / issue 2 - Social	To ensure human resource development	Improved performance and achievement of targets	Facilitate for trainings, seminars and workshops.	Administrators facilitated for trainings
	To create partnerships, linkages and networking	Number of MOUs and partnerships formalized	Requesting for partnerships and linkages Placing trainees on attachment	Trainees placed on attachment
Pillar / theme / issue 3 - Enablers	To improve leadership and governance	Appointment letters for BOG Number of training session for BOG. Number of BOG meeting.	Proposing members for BOG appointment Facilitating BOG members for training	Achieved
	To ensure ICT intergration in college operation.	Number of computers and printers in use. Strengthen internet connection	Ensure ICT labs are in use. Ensure strong internet connection	Achieved

8. Corporate Governance Statement

Good corporate governance is key to the integrity of state corporations and is central to its sustainability. Corporate governance plays a leading role in how corporations and their boards of governors are directed, controlled and held to account. Corporate governance, therefore, encompasses the systems, practices and procedures by which the individual corporation is regulated in order to remain competitive, ethical, sustainable and fair.

Lari TVC Board adheres to principles of openness, integrity and accountability in its stewardship of the Institute's affairs. It recognizes the developing nature of corporate governance and assesses the Institute's compliance with generally accepted corporate governance practice on a regular basis, directly and through its full board and Board committees. The role of the Board is to ensure conformance by focusing on and providing the Institution overall strategic direction and policy-making as well as performance review through accountability and ensuring appropriate monitoring and supervision. The Board is also responsible for the overall system of internal control and for reviewing its effectiveness. The controls are designed to both safeguard the Institute's assets and ensure the reliability of financial information.

The Institute Board meets regularly to consider issues of operational and strategic importance to the Institute. Below are the key features of the existing corporate governance practices within which are reviewed and improved on a regular basis: -

Internal Controls

The Institute has implemented and maintained internal controls designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard and maintain accountability of the Institute's assets.

Such controls are based on Law, Government & Institute regulations, Policies and circulars and are implemented by staff members with appropriate segregation of duties. The effectiveness of the system of internal controls is monitored regularly through operational meetings and the annual external audit

Ethics and Conduct

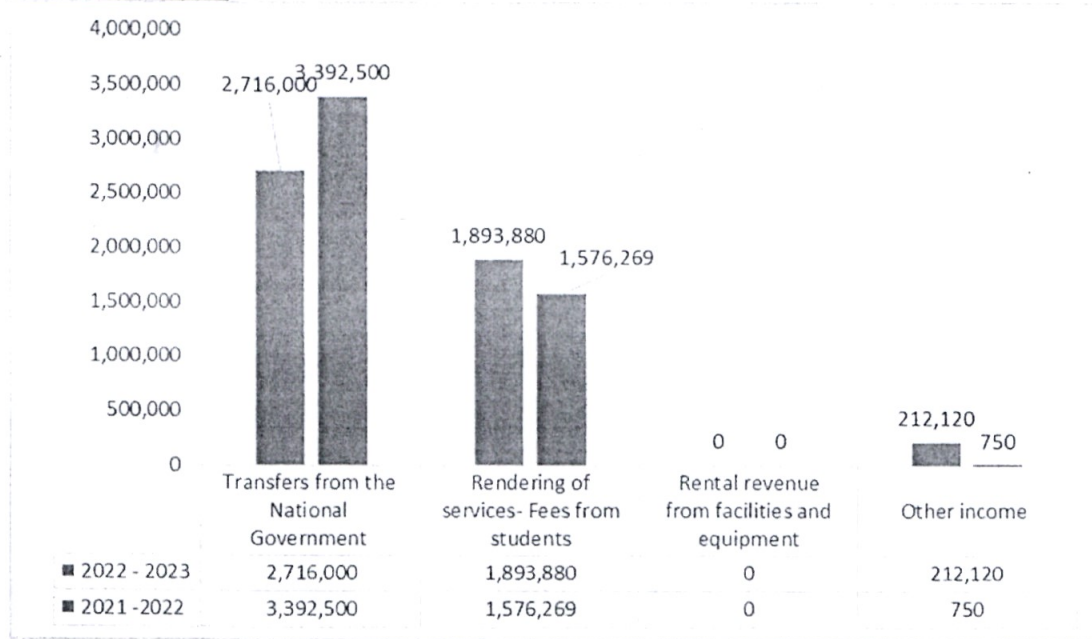
Institute Board Members uphold the highest standard of ethics and conduct while executing their mandate.

Governance Audit

The Board has put in place a combination of processes and structures to inform, direct, manage and monitor the activities of the Institute towards the achievement of its objectives

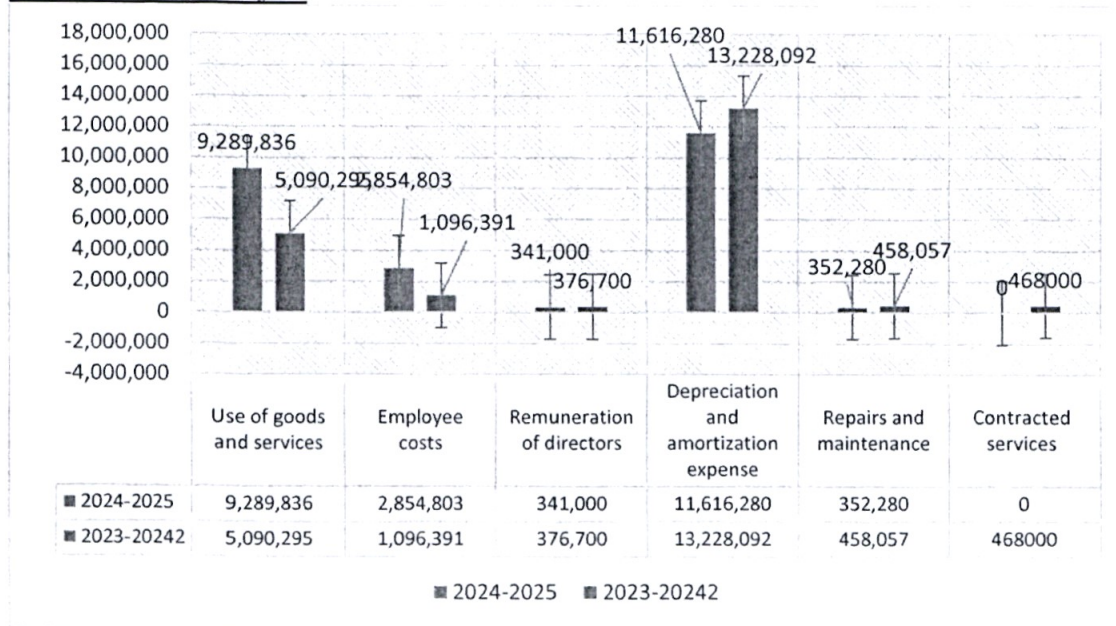
9. Management Discussion and Analysis

Income analysis



Total income increased by 27%. This was as a result of reduced funding by the government and high gross enrolment in May 2024.

Expenditure Analysis



There was 18% increase in total expenditure for the institution. This was caused steady increase in student population therefore reducing the institutions growth.

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

The accounting officer should make a broad overview of global political and macroeconomic trends affecting sustainability priorities, e.g., climate change, make reference to international sustainability best practices frameworks, e.g., Sustainable Development Goals (SDG), and the entity's sustainability priorities and policy framework. Discuss the entity's key achievements, failures, and mitigation measures during the reporting period. Provide information on the entity's service delivery charter and procedures on contracts management, e.g., the proportion of contracts allocated to local suppliers/contractors/ special groups (Youth, Women) and PWD categories.

Environmental performance

Outline clearly the environmental policy guiding the organisation and provide evidence of implementation of the policy. Outline successes, shortcomings, and mitigation measures, efforts to manage biodiversity, effective waste management (reduce, reuse, recycle, disposal methods) and efforts to reduce the environmental impact of the organisation's products (e.g., automation of systems-paperless offices, reduced use of plastic bottles, provision of bins for segregation of waste in the compound, packaging that is biodegradable, maintaining vehicles to reduce Co2 emissions). Discuss initiatives around climate change (e.g., climate-smart technologies- drought resistant crop varieties, eco-toilets, eco jikos, green buildings- designed with automated lighting, open areas with natural lights, solar lighting, and heating system)

Employee welfare

Give an account of the policies guiding the hiring process and whether they take into account the gender ratio (male, female, youth) and PWD, whether they take in stakeholder engagements, and how often the policies are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA. Include a review of work-related injuries and evidence of efforts to minimise this.

Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition-open tendering and respect for competitors or outline how the entity ensures improved service delivery practices (e.g. Service charter information, Service automation-self-service, Anti-corruption-reporting, brand protection mechanism, cashless payment, public sensitization/outreach, etc.)

b) Responsible Supply chain and supplier relations

Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts, respecting payment practices and allowing competitive procurement of services.

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

Outline efforts to maintain ethical marketing practices (e.g. avoiding false or exaggerated promises, avoiding anti-social advertisement, giving adequate information, respecting consumers) Or discuss how the entity's efforts in ensuring its outreach and sensitization practices are ethical and responsible (regular media, website briefs, holding consultative forums, avoiding false or exaggerated promises, giving adequate information, respecting diversity)

d) Product stewardship or Awareness Creation

Outline efforts to safeguard consumer rights and interests issues include protection of health and safety, providing adequate product information, dispute resolution and redress, consumer data and privacy protection) or how the entity safeguards citizens' rights and interests (Providing adequate service information e.g. NHIF, NSSF, application of licenses, ID, Passport, logbook, connection to power, water, right to representation when arrested/ bail, right to peaceful demonstration, dispute resolution and redress, whistle blowers rights, citizen data and privacy protection)

Corporate Social Responsibility / Community Engagements

(The report discusses the details of Corporate Social Responsibility (CSR) activities carried out in the reporting period and the impact to the society.) The activities should be limited to the mandate of the entity. For example, Kenya Forest Services could report social investments arising from partnering with communities to propagate seedlings and then they buy back, agroforestry where the community is allowed to farm and take care of seedlings or an initiative supporting a community to use energy savings Jikos. Provide evidence of community engagement including charitable giving (cash and material), Corporate Social Investment (e.g. schools, dams, roads, boreholes, health facilities etc.) and other forms of community engagements (e.g. tree planting, free clinics, scholarships and bursaries awarded etc.). Or evidence of public participation, sensitization and civic education (e.g. in Law and by-laws formulation, budget making processes, community consultation on proposed development projects in their areas)

11. Report of the Council/Board of Governors

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

Principal activities

The principal activities of the entity are provision of Technical skills

Results

The results of the entity for the year ended June 30 2025 are set out on page 1 to 15

Council/Board of Governors

The members of the Board /Council who served during the year are shown on page ix to x. During the year 2024/2025 no director retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of Lari TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or..... Certified Public Accountants were nominated by the Auditor General to carry out the audit of Lari TVC for the year/period ended June 30, 2025, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary of the Board/Council

Nairobi

Date: 25/11/25

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

Section 81 of the Public Finance Management Act, 2012 and (*section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 - (entities should quote the applicable legislation under which they are regulated)*) require the council members to prepare financial statements in respect of Lari TVC, which give a true and fair view of the state of affairs of Lari TVC at the end of the financial year/period and the operating results of the *entity* for that year/period. The Council members are also required to ensure that Lari TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of Lari TVC. The council members are also responsible for safeguarding the assets of Lari TVC.

The Council members are responsible for the preparation and presentation of the Lari TVC financial statements, which give a true and fair view of the state of affairs of Lari TVC for and as at the end of the financial year (period) 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 entity, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under*). The council members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of Lari TVC financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for Lari TVC which have been relied upon in the preparation of Lari TVC financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed Lari TVC ability to continue as a going concern (*disclose as applicable, matters relating to the use of going concern basis of preparation of the financial statements.*) Nothing has come to the attention of the Council members to indicate that the *entity* will not remain a going concern for at least the next twelve months from the date of this statement.

Lari Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Approval of the financial statements

Lari TVC financial statements were approved by the Board on 25/11/25 2025 and signed on its behalf by:



.....
Name Jeremiah Mbugua
Chairperson of the Board/Council



.....
Name Francis Mainitu
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON LARI 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 Lari Technical and Vocational College set out on pages 1 to 62, which comprise the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

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

In my opinion, except for the effect of the 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 Lari 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

1. Inaccuracies in the Financial Statements

Review of records provided revealed the following inconsistencies;

- i. The statement of cash flows indicates total revenue of Kshs.16,271,695 against the re-casted correct balance is Kshs.16,346,735. Similarly, the statement reflects total payments of Kshs.16,598,919 against a recasted amount of Kshs.13,019,855.
- ii. The statement of financial performance and statement cash flows reflects public contributions and donations amount of Kshs.3,035,000. However, the relevant corresponding Note 9 to the financial statements reflects Nil balance.
- iii. The statement of financial position reflects trade and other payables Nil balance. However, the corresponding Note 36 to the financial statements indicates a balance of Ksh.439,465 that has been outstanding for more than one year.
- iv. The balances in the statement of changes in net assets for both the revaluation reserves of Kshs.190,976,440 and accumulated fund of Kshs.43,184,803 respectively vary with the respective balances disclosed in the statement of financial position and the supporting adjustment were not been provided. Further, the re-casted correct balance of accumulated fund is Kshs.40,894,483.
- v. The total cash and cash equivalents balance as at 30 June 2025 is stated at Kshs.1,011,531 against a recalculated amount is Kshs.1,019,331.
- vi. The statement of comparison of budget and actual amount reflects rendering of services - fees from students amount of Kshs.8,531,074 which differs from the Kshs.33,644,955 reported in the statement of financial performance.

The statement of comparison of budget and actual mount reflects nil balance for the sale of goods while the statement of financial performance reflects an amount of Kshs.75,040.

- vii. Note 32 of the financial statements on property, plant and equipment reflects an amount of Kshs.71,046,794 relating to total cumulative depreciation against a recasted amount of Kshs.71,361,794.
- viii. Note 15 to the financial statements reflects a total amount of Kshs.9,289,836 relating to the use of goods and services against a recalculated amount of Ksh.9,253,396.
- ix. The statement of financial performance and Note 10 to the financial statements reflects revenue from rendering services of Kshs.33,644,935 while the respective Note and the statement of comparison of budget and actual amounts reflect rendering of services actual amount of Kshs.8,531,074 resulting to an unexplained variance of Kshs.25,113,861.
- x. In the statement of financial position, the total current liabilities are erroneously stated as Kshs.20,875. Further, the net assets(A-B) are stated as Kshs.642,287 against a recalculated amount of Kshs.147,791,547.
- xi. In the statement of financial position, the revaluation reserves are stated as Nil, whereas the opening balance of the same item is Kshs.190,976,340.
- xii. The statement of changes in net assets, reflects totals for accumulated surplus of Kshs.43,184,803 against a recalculated amount of Ksh.40,894,483.
- xiii. Note 36 to the financial statements omitted an opening balance of Kshs.439,465.

In the circumstances, the accuracy and completeness of the financial statement's balances could not be confirmed.

2. Variances Between the Current Year and Prior Year Comparative Balances

Review of the financial statements presented for audit revealed variances between the comparative balances in the year under review and the prior year's audited balances, as analyzed below;

Component	Financial Statements 2024/2025 (Kshs)	Audited Financial Statements 2023/2024 (Kshs)	Variance on Opening Balances (Kshs)
Note 32 - NBV as at 30 June, 2024 – Buildings	43,872,796	43,057,716	815,080
Note 47- Increase in Receivables	298,007	20,666	277,341

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

Component	Financial Statements 2024/2025 (Kshs)	Audited Financial Statements 2023/2024 (Kshs)	Variance on Opening Balances (Kshs)
Note 48 on Capital Risk Management - Retained Earnings	(56,768,724)	(58,066,472)	1,297,748

In the circumstances, the accuracy of the financial statements' balances could not be established

3. Unsupported Financial Statements Balances

Review of the financial statements revealed the following amendments were made, however, the changes are not supported by ledgers and approved journal vouchers.

Item	Submitted Original Financial Statement (28/08/2025) (Kshs)	Amended Financial Statements (25/11/2025) (Kshs)	Variances (Kshs)
Rendering of Services (Note 10)	29,721,180	33,644,955	(3,923,775)
Employee Cost (Note 16)	2,854,803	3,036,739	(181,936)
Current Portion of Receivables (Note 27a)	21,190,106	22,894,227	(1,704,121)
Payments Received in Advance (Note 42)	20,103	20,875	(772)
Property, Plant and Equipment (Note 32)	124,843,066	124,528,066	315,000

In the circumstances, the accuracy of the financial statements balances could not be confirmed.

4. Unexplained Increase in Expenditure

The statement of financial performance and Note 15 to the financial statements reflect an amount of Kshs.9, 289,839 under the use of goods and services. This represents an increase of Kshs.4,199,936, or approximately 83%, compared to the previous year's amount of Kshs.5,089,900 for the year ended 30 June, 2024. No explanation or supporting documentation was provided to justify the substantial increase.

In the circumstances, the propriety of the use of goods and services expenditure totalling Kshs,9,289,836 could not be confirmed.

5. Unsupported Donation

The statement of financial performance reflects public contributions and donations amounting to Kshs.3,035,000 which relate to furniture and equipment received from the Ministry of Education -State Department of Technical, Vocational Education and Training for the Jitume ICT Lab. These donations included fifty desktops and thirty-three student desks, which were recorded in the College asset register. However, no valuation report was provided for audit.

In the circumstances, the accuracy of the donations amount of Kshs.3,035,000 could not be confirmed.

6. Receivables from Exchange Transaction

The statement of financial position and Note 27 to the financial statements reflect receivables from exchange transactions amounting to Kshs.22,894,227, representing an increase of Kshs.22,442,072 (approximately 4963%) compared to the prior year audited balance of Kshs.452,155. No explanation or supporting documentation was provided to justify this significant increase, and the required aging analysis was not provided for audit review. Further, Management did not provide supporting explanation of the measures it has taken to recover the outstanding debt.

In the circumstances, the recoverability and the accuracy of the receivables from exchange transactions amounting to Kshs.22,894,227 could not be confirmed.

7. Lack of Bank Reconciliation and Memorandum Cash Book

The statement of financial position reflects a cash and cash equivalents balance of Kshs.1,011,531 as disclosed in Note 26 to the financial statements. However, Management did not provide the cashbooks and bank reconciliation statements for the eleven (11) months from July, 2024 to May, 2025, as well as the bank confirmation certificate as at 30 June, 2025. Further, the bank reconciliation statement for June, 2025 reflects unrepresented cheques totalling Kshs.999,665; however, Management did not provide the breakdown of these unrepresented cheques.

In the circumstances, the accuracy of the cash and cash balances of Kshs.1,011,531 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Lari 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 revealed a final revenue budget of Kshs.59,010,050 against re-casted actual revenue of Kshs.16,271,695 resulting to an under-funding of Kshs.42,738,355, equivalent to 72% of the approved budget. Further, the statement reflects actual revenue collected of Kshs.16,271,694 against actual expenditure of Kshs.12,837,919, resulting to an under-utilization of Kshs.3,433,775, equivalent to 21% of the actual revenue.

The underfunding and under-utilization of the planned activities may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Lari Technical and Vocational College in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Unconfirmed Cash and Cash Equivalent
2	2023/2024	Unsupported Trade and Other Payables
3.	2023/2024	Property, Plant and Equipment
4.	2023/2024	Weaknesses in Procurement of Goods and Services
5.	2023/2024	Lack of Risk Management Policy
6.	2023/2024	Lack of Internal Audit Function and Audit Committee
7.	2023/2024	Lack of Segregation of Duties
8.	2023/2024	Human Resources Management Gaps
9.	2023/2024	Lack of Board Committee Charter
10.	2023/2024	Lack of ICT Steering Committee and IT Strategic Committee

Other Information

The Management is responsible for the Other Information set out on pages iii to xxiii which comprise of Key Entity Information and Management, The Board of Governors, Management Team, Chairman's Statement, Report of the Principal, 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 of the Lari Technical and Vocational College financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Lack of Approved Procurement Plan

The statement of financial performance reflects an amount of Kshs.9,289,836 in respect of use of goods and services as disclosed in Note 15 to the financial statements. Audit review of procurement revealed the following weaknesses in the procurement of goods and services:

- i. The College did not prepare an annual procurement plan for the years under review to confirm how the expenditure incurred was budgeted for.
- ii. The College did not maintain the list of prequalified suppliers for the suppliers. Therefore, it was not possible to ascertain how the suppliers were identified.
- iii. Quotations without use of standard request for quotation documents.

- iv. Lack of professional opinion.
- v. Lack of inspection and acceptance committee minutes.
- vi. Lack of completion certificates and project close out - The inspection and acceptance committee did not ensure that all required manuals or documentation has been received, issue interim or completion certificates as appropriate and in accordance with the contract.

In the circumstances, Management was in breach of law.

2. Lack of Collection of Capacity Building Levy

Analysis of procurement records revealed that the Institution did not collect the 0.03% of the capacity building levy on all the signed contracts between the suppliers and the procuring entities as required by the Section 3(1) of the levy order 2023 to be remitted to Public Procurement and Regulatory Authority (PPRA) by 20th of the following month.

In the circumstances, Management was in breach of law.

3. Non-Compliance with the Data Protection Act

Following the review of the Institution compliance with Data Protection Act, the following anomalies were noted.

- i. The Institution was not registered with the Office of Data Protection as a data processor and data controller.
- ii. The Institution did not have a Data Protection Policy and a Privacy Notice available to the public.
- iii. The Institution did not have in place technical and organizational security measures to ensure the integrity and confidentiality of the personal data.
- iv. The Institution did not have a data protection officer.
- v. The Institution did not have contracts with data processors that contain data protection clauses or data processing agreements.
- vi. The Institution did not have a data subject complaint handling mechanism.

In the circumstances, Management was in breach of law.

4. Presentation and Disclosure in the Financial Statements

Review of the financial statements revealed the following errors and omissions;

- i. The financial statements were being prepared and signed by an associate member of ICPAK who has not acquired full membership.

- ii. Note 36, Note 41 and Note 43 to the financial statements as reflected in the statement of financial position do not reflect a corresponding breakdown of the amounts reflected in the Notes to the financial statements.
- iii. The statement of cash flows did not have explanatory notes to the financial statements.

In the circumstances, the financial statements do not comply with the template as prescribed by the Public Sector Accounting Standards Board.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the College had not constituted an audit committee and an internal audit unit. Efficiency and effectiveness of the College internal control systems and governance may not be guaranteed since there was no audit committee to provide independent assurance and advice to the College's Board and Management to improve governance, risk management, and control processes.

In the circumstances, the effectiveness of internal controls could not be confirmed.

2. Lack of Segregation of Duties

Review of the payment vouchers provided revealed that the vouchers were prepared by the accountant, checked and examined by the preparer and authorized for payment by the Principal.

In the circumstances, effectiveness of controls and segregation of duties could not be confirmed.

3. Lack of Imprest Register and Petty Cashbook

Review of the bank statements and payment records revealed that Management issued cash totalling Kshs.468,496 in June, 2025 as a cash advance to a staff member. However, the imprest register, memorandum cashbook, or petty cash register were not maintained, and evidence of accountability for the cash was not provided for verification

In the circumstances, effectiveness of internal controls on imprest management could not be confirmed.

4. Lack of Disaster Recovery Plan and Risk Management Policy

Review of the College ICT environment revealed that there was no IT Disaster recovery plan in place as at 30 June, 2025 that would reduce impact on operations in case of outage or disruption to ICT systems likely to occur. Further, the College may not recover or restore critical infrastructure services and systems which may affect all operations that rely on the ICT systems. In addition, the College did not have a risk management policy in place.

In the circumstances, Managements preparedness for disaster recovery could not be confirmed.

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

Responsibilities of 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 Fund'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.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 December, 2025

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

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	4,705,621	3,029,516.50
Grants from donors and development partners	7		
Transfers from other levels of government	8		
Public contributions and donations	9	3,035,000	
			3,029,516.50
Revenue from Exchange transactions			
Rendering of services- fees from students	10	33,644,955	4,778,912
Sale of goods	11	75,040	128,120
Rental revenue from facilities and equipment	12	-	
Finance income	13		
Miscellaneous income	14		
Revenue from Exchange transactions		33,719,995	4,901,122
Total Revenue		41,460,616	7,936,638
Expenses			
Use of goods and services	15	9,289,836	5,089,900
Employee costs	16	3,036,739	1,096,391
Board /Council Expenses	17	341,000	376,700
Depreciation and amortization expense	18	11,571,189	12,129,166
Repairs and maintenance	19	352,280	458,057
Contracted services	20	-	
Grants and subsidies	21	-	
Finance costs	22	-	
Total Expenses		24,591,044	19,150,214
Other Gains/(Losses)			
Gain on sale of assets	23	-	
Gain/ Loss on fair value of investments	24	-	
Impairment loss	25	-	
Total Other Gains/(Losses)			-
Net surplus/(deficit) for the year		16,869,572	(11,213,576)

(The notes set out on pages 23 to 66 form an integral part of the Annual Financial Statements).

Lari Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

The Financial Statements set out on pages 1 to 18 were signed by:



.....

Chairman of Council/Board

Date 25/11/25



.....

Principal

Date 25/11/25



.....

Finance Officer

ICPAK No 3956 / Aesoc
Date 25/11/25

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

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	1,011,531	1,270,840
Current portion of receivables from exchange transactions	27(a)	22,894,227	452,155
Receivables from non-exchange transactions	28		
Inventories	29		
Investments in financial assets	30		
Prepayments	31		
Total Current Assets		23,905,758	1,722,995
Non-Current Assets			
Long term receivables from exchange transactions	27(b)		
Investments	30		
Property, plant, and equipment	32	124,528,066	131,928,755
Intangible assets	33		
Investment property	34		
Biological Assets	35		
Total Non-Current Assets		124,528,066	131,928,755
Total Assets (A)		148,433,824	133,651,750
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36		
Refundable deposits from customers	37		
Current provisions	38		
Finance lease obligation	39		
Deferred income	40		
Employee - Accruals	41	181,937	
Payments received in advance	42	20,875	
Current portion of borrowings	43	439,465	439,465
Social Benefits	46		

Lari Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Description	Notes	2024-2025	2023-2024
		Kshs	Kshs
Total Current Liabilities		20,875	439,465
Non-Current Liabilities			
Finance lease obligation	39		
Deferred income	40		
Non-Current Employee Benefit Obligation	41		
Non- Current Borrowings	43		
Non-Current Provisions	44		
Service Concession Liability	45		
Social benefits	46		
Total non- current liabilities		-	
Total Liabilities (B)		20,875	439,465
Net Assets (A-B)		642,287	134,207,616
Represented By:			
Revaluation Reserves			190,976,340
Accumulated Surplus		(43,184,803)	(57,764,055)
Capital Fund		190,976,340	
Net Assets		148,433,824	133,651,750

The Financial Statements set out on pages 1 to 18 were signed by:



.....
Chairman of Council/Board

Date 25/11/25



.....
Principal

Date 25/11/25



.....
Finance Officer

ICPAK No ASO C/3956
 Date 25/11/25

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	190,976,340	(46,550,479)	-	144,425,861
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(11,213,576)	-	(11,213,576)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	190,976,340	(57,764,055)	-	133,212,285
At July 1, 2024	190,976,340	(57,764,055)	-	133,212,285
Revaluation gain				
Surplus/(deficit) for the year		16,869,572		16,869,572
Capital grants received during the year				
Transfer of depreciation/amortisation from capital fund to Retained earnings				
At June 30, 2025	190,976,340	(43,184,803)		147,791,537

Note:

1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done).

Lari 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		2024-2025	2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		4,705,621	3,029,516
Grants from donors and development partners			
Transfers from other levels of government			
Public contributions and donations - CDF		3,035,000	
Rendering of services- fees from students		8,531,074	4,778,912
Sale of goods		75,040	128,120
Rental revenue from facilities and equipment			
Finance income			
Miscellaneous income			
Total Receipts		16,271,695	8,564,856
Payments			
Use of goods and services		9,289,836	5,089,900
Employee costs		3,036,739	1,096,391
Board /Council Expenses		341,000	376,700
Repairs and maintenance		352,280	458,057
Contracted services		-	-
Grants and subsidies		-	-
Total Payments		16,598,919	7,669,933
Net Cash Flows from operating activities	47	(327,224)	894,923
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(3,716,000)	(250,000)
Proceeds from sale of property, plant and equipment		-	
Net cash flows used in investing activities		(3,716,000)	(250,000)
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			644,923
Cash and Cash equivalents at 1 JULY 2024	26	1,270,840	625,917
Cash and Cash equivalents at 30 JUNE 2025	26	1,,011,531	1,270,840

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	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*						
Receipts						
Transfers from other National Government entities	17,697,250		17,697,250	4,705,621	12,991,629	-73%
Grants from donors and development partners						
Transfers from other levels of government						
Public contributions and donations				3,035,000	3,035,000	0%
Rendering of services- fees from students	27,662,800		27,662,800	8,531,074	19,131,727	-69%
Sale of goods	13,650,000		13,650,000		75,040	-0.54%
Rental revenue from facilities and equipment						
Finance income						
Miscellaneous Income						
Total Receipts	59,010,050		59,010,050	16,271,694	42,738,356	
Payments						
Use of goods and services	39,324,050		39,324,050	9,289,836	30,052,214	76%
Employee costs	4,260,000		4,260,000	2,854,803	1,405,197	33%
Board /Council Expenses	1,118,000		1,118,000	341,000	777,000	69%
Repairs and maintenance	2,000,000		2,000,000	352,280	1,647,720	82%
Contracted services	2,070,000		2,070,000	-	-	100%
Grants and subsidies						
Total Expenditure Payments	59,010,050		59,010,050			
Capital Expenditure Payments	10,220,000		10,220,000		6,459,000	
Surplus	-					63%

Lari Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

Budget notes

- a) There is a positive negative of 73% since we were underfunded by GOK due to difficulties in new funding model.
- b) The institute received Ksh. 3,035,000 as donation to repair and convert the Library to Jitume Lab.
- c) The management added BOG trainers remuneration due to increased enrolled NGCDF sponsored students.
- d) Use of goods and services declined due to underfunding in all income generating activities. Contracted service were not carried out due to limited resources collected.
- e) Expenses were affected negatively due to limited resources.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	Reason for differences	
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	

19. Notes to the Financial Statements

1. General Information

Lari TVC is established by and derives its authority and accountability from TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is training in technical skills.

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 20xx, it is applicable in Kenya from 1st July 20xx)

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

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

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

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

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

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	mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.
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iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on 26th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of xxx on the FY 2024/2025 budget following the Council/ Board's approval. 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 actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per first schedule of the *Income tax* Act Cap 470.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

The 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.

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The 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

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

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

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

q) Foreign currency transactions

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

r) Borrowing costs

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

s) Related parties

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

t) Service concession arrangements

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

u) Cash and cash equivalents

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

v) Comparative figures

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

w) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 47.

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

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6. Transfers from other National Government entities

Description	2024-2025	2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	753,828	1,029,517
Recurrent Grant	2,499,138	2,000,000
Scholarship grants	1,452,656	
Other Grants		
Total unconditional Grants	4,705,621	3,029,517
Conditional Grants amortised/ recognised in revenue		
Jitume Lab Grant Donation	3,035,000	
Hostels Grant		
Administration Block Grant		
Laboratory Grant		
Learning Facilities Grant		
Other Organizational Grants		
Total Government Grants and Subsidies	7,704,621	3,029,517

(a) Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	4,705,621	-	-	4,705,621	3,029,517
Ministry of Education	-	-	-	-	-
Total	4,705,621	-	-	4,705,621	3,029,517

The details of the reconciliation have been included under appendix III.

7. Grants from Donors and Development Partners

Description	2024-2025	2023/2024
	Kshs	Kshs
JICA- Research Grant		
World Bank Grants		
In-Kind Donations		
Donations transferred to revenue-conditions met		
Other Grants (specify)		
Total Grants from Development Partners		

(a) Reconciliations of grants from donors and development partners

Description	2024-2025	2023-2024
	Kshs	Kshs
Balance unspent at beginning of year		
Current year receipts		
Conditions Met - Transferred to Revenue		
Conditions Yet To Be Met - Remain Liabilities		

8. Transfers from Other Levels of Government

Description	2024-2025	2023-2024
	Kshs	Kshs
Transfer from County		
Transfer from University		
Transfer from Institute		
Total Transfers		

9. Public Contributions and Donations

Description	2024-2025	2023-2024
	Kshs	Kshs
Public Donations		
Donations from Local Leadership		
Donations from Religious Institutions		
Donations from Alumni		
Other Donations		
Total Donations and Contributions		

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10. Rendering of Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees	7,423,992	4,432,222
Activity Fees		
Industrial Attachment Fees		
Examination Fees	1,107,082	346,690
Library Fees		
Facilities And Materials		
Registration Fees		
Others		
Total Revenue from The Rendering of Services	8,531,074	4,778,912

11. Sale of Goods

Description	2024-2025	2023/2024
	Kshs	Kshs
Driving school income	15,000	
Sale of Publications		
Sale of Farm Produce	3,660	
Short courses income	56,380	128,120
Other sales		
Total Revenue from Sale of Goods	75,040	128,120

12. Rental revenue from facilities and equipment

Description	2024-2025	2023/2024
	Kshs	Kshs
Hire of Facilities and Equipment	-	
Contingent Rentals	-	
Operating Lease Revenue	-	
Others	-	
Total		

13. Finance Income

Description	2024-2025	2023/2024
	Kshs	Kshs
Cash investments and fixed deposits		
Interest income from treasury bills		
Interest income from treasury bonds		
Interest from outstanding debtors		
Others		
Total finance income		

14. Miscellaneous Income

Description	2024-2025	2023/2024
	Kshs	Kshs
Insurance recoveries		
Consultancy fees		
Income from sale of tender		
Services concession income		
Reimbursements and refunds		
Graduation fees		
Bad debts recovered		
Income written back		
Others		
Total other income		

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15. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Teaching and learning materials	1,398,798	459,700
Industrial attachment costs	8,500	89,000
Electricity	468,491	
Water	66,853	42,300
Security	432,000	468,000
TVETA registration and subsricption	183,000	
Subscriptions – KATTI, KUCCPS	189,980	174,280
CBET verification and audit expenses	48,300	
KUCCPS student registration expenses	54,000	
Handing over/ taking over expenses	189,200	
Beautification expenses	107,240	
Advertising and promotion	745,625	487,000
Advertising – Community linkages	9,480	
Examination fees	997,549	416,960
Examination administering expenses	93,780	
Internal Audit fees	7,100	
Catering, conferences, and delegations	702,000	335,230
Induction and training	13,740	10,000
Travelling and accommodation		721,020
Fuel and oil	25,600	12,000
Recruitment and Interviews		150,000
Cleaning	55,490	55,855
Bank charges	15,929	7,760
Refund to transferred students	35,900	63,860
Health Licenses and permits		11,100
Postage	7,725	7,725
Printing and stationery	287,166	374,485
Office expenses	463,640	328,740
Performance contract expenses	68,000	61,000
Office supplies		72,625
Skills development levies		
Telephone expenses	104,500	63,500
Internet expenses		2,500
Computer expenses	12,000	7,500
Agriculture department expenses	70,150	41,750
Greening expenses	34,740	32,120
Sports and games expenses	415,200	225,390

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Land scaping expenses	179,120	27,000
Staff Training expenses	665,200	
Fumigation expenses	18,000	
Fire extinguishing servicing expenses	101,700	
Presidential visit preparation expenses	54,250	
Local travels expenses	921,800	341,500
Total good and services	9,289,836	5,089,900

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16. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	3,036,739	1,096,391
Employee related costs - contributions to pensions and medical aids		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Social contributions		
Employee Costs	3,036,739	1,096,391

17. Board/Council Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria		
Directors Emoluments	341,000	
Other Allowances		376,700
Other Board/Council Expenses		
Total	341,000	376,700

18. Depreciation and Amortization expense

Description	2024-2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	11,571,188	12,129,166
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization	11,571,188	12,129,166

19. Repairs and Maintenance

Description	2024/2025	2023-2024
	Kshs	Kshs
Property		458,057
Investment property – earning rentals		
Equipment and machinery	352,280	
Vehicles		
Furniture and fittings		
Computers and accessories		
Total Repairs and Maintenance	352,,280	458,057

20. Contracted Services

Description	2024-2025	2023- 2024
	Kshs	Kshs
Actuarial valuations		
Investment valuations		
Property valuations		
Other		
Total contracted services		

21. Grants and Subsidies

Description	2024-2025	2023-2025
	Kshs	Kshs
Community Development		
Education Initiatives and Programs		
Social Development		
Social benefits expenses		
Community Trust		
Sporting Bodies		
Others.		
Total Grants and Subsidies		

22. Finance Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Borrowings (Amortized Cost)*		
Finance Leases (Amortized Cost)		
Unwinding of Discount from lease liabilities		
Interest on Bank Overdrafts		
Interest on Loans from Commercial Banks		
Others (specify)		
Total Finance Costs		

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23. Gain On Sale of Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
Other Assets not capitalised		
Total Gain On Sale of Assets		

24. Gain/(loss) on Fair Value Investments

Description	2024-2025	2023-2024
	Kshs	Kshs
Fair value on equity investments		
Fair value arising from investment property		
Fair value arising from biological assets		
Fair value- other financial assets (specify)		
Total Gain		

25. Impairment Loss

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
Total Impairment Loss		

26. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	1,011,531	1,263,040
On – Call Deposits		
Fixed Deposits Account		
Staff Car Loan/ Mortgage		
Others (Specify)		
Cash at Hand		7,800
Total Cash and Cash Equivalents	1,011,531	1,270,840

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

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1262609909	1,011,531	1,263,040
Equity Bank, etc.			
Sub- Total		1,011,531	1,263,040
b) On - Call Deposits			
Kenya Commercial Bank			
Equity Bank – etc.			
Sub- Total			
c) Fixed Deposits Account			
Kenya Commercial Bank			
Bank B			
Sub- Total			
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank			
Bank B			
Sub- Total			
e) Others(<i>Specify</i>)			
Cash in Transit			
Cash in Hand			7,800
Mobile Money account			
Sub- Total			
Grand Total		1,011,531	1,270,840

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27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	22,894,227	452,155
Rent Debtors		
Consultancy Debtors		
Other Exchange Debtors		
Less: Impairment Allowance		
Total Current Receivables	22,894,227	452,155

27 (b) Long- term Receivables from Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits		
Advance Payments		
Public Organizations		
Less: Impairment Allowance		
Total		
Current Portion Transferred To Current Receivables		
Total Non-Current Receivables		
Total Receivables		

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	22,894,227	100%	452,155	100%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)	27,894,227	1000%	452,155	100%

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

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year		
Provisions during the year		
Recovered during the year		
Write offs during the year		
At the end of the year		

28. Receivables from Non-Exchange transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Receivables		
Capitation Grants*		
Transfers from Other Govt. entities		
Undisbursed Donor Funds		
Other Debtors (Non-Exchange Transactions)		
Less: Impairment Allowance		
Total Current Receivables		

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

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year		%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total		%		%

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

Description	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year		
Additional provisions during the year		
Recovered during the year		
Written off during the year		
At the end of the year		

29. Inventories

Description	2024-2025	2023-2024
	Kshs	Kshs
Consumable stores		
Maintenance stores		
Health Unit stores		
Electrical stores		
Cleaning Materials stores		
Catering stores		
Less: Impairment allowance		
Total Inventories at lower of Cost and Net Realizable Value		

Detailed disclosure on inventories

	2024-2025	2023-2024
Opening balance		
Additional Inventory in the year		
Inventory expensed in the year		
Write-downs in the year		
Others specify		
Closing balance		

30. Investments in financial assets

Description	2024-2025	2023-2024
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK		
CBK		
Sub- Total		
b) Investment with Financial Institutions/ Banks		
Bank X		
Bank Y		
Sub- Total		
c) Equity Investments		
Equity/ Shares in Company		
Sub- Total		
Grand Total		

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares				Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding	Nominal Value of Shares	2024-2025	2023-2024
	%	%	%	Kshs	Kshs	Kshs

31. Prepayments

Description	2024-2025	2023-2024
	Kshs.	Kshs.
Insurance		
Rent		
Water		
Internet		
Others		
Total		

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32. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Loose tools	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2.5%	12.5%	30%	12.5%	10%		
At 1 July 2023.	14,000,000	47,669,215	21,025,000	4,555,392	103,792,673	21,500	815,080	192,128,360
Additions			250,000					
Disposals								
Transfers/Adjustments		815,080					(815,080)	-
Revaluation								
At 30th June 2024	14,000,000	48,484,295	21,275,000	4,555,392	103,792,673	21,500	-	192,128,360
Additions			885,000	2,876,000				3,761,000
Disposals								
Transfer/Adjustments								
Revaluation								
At 30th June 2025	14,000,000	48,484,295	22,160,000	7,431,392	103,792,673	21,500		195,889,860
Depreciation And Impairment								
At 1 July 2023		(3,486,556)	(6,934,766)	(2,978,277)	(34,259,691)	(2,150)		(47,301,430)
Depreciation		(1,124,943)	(1,837,530)	(473,135)	(8,691,623)	(1,935)		(12,129,165)
Disposals	-							
Impairment	-							
At 30 Jun 2024		(4,611,499)	(8,772,296)	(3,451,412)	(42,951,314)	(4,085)		(59,430,605)
Depreciation	-	(1,096,820)	(1,673,463)	(1,193,994)	(7,605,170)	(1,742)		(11,616,189)
Disposals	-							
Impairment	-							
Transfer/Adjustment	-							
At 30th Jun 2025	-	(5,708,319)	(10,445,759)	(4,645,406)	(50,556,484)	(5,827)		(71,046,794)
Net Book Values								
At 30th Jun 2024	14,000,000	43,872,796	12,907,715	1,103,980	60,841,359	17,425		131,928,185
At 30th Jun 2025	14,000,000	42,775,976	11,714,242	2,785,986	53,236,189	15,674		124,528,066

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were not revalued. These amounts were adopted in the financial statements on 01/09/2025.

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	14,000,000	-	14,000,000
Buildings	48,484,295	5,708,319	42,775,976
Plant And Machinery	103,792,673	50,556,484	53,236,189
Loose tools	21,500	5,827	15,674
Computers and Related Equipment	7,431,392	4,645,406	2,785,986
Office Equipment, Furniture, And Fittings	22,160,000	10,445,758	12,714,241
Total	192,128,360	71,361,794	124,528,066

33. Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Cost		
At beginning of the year		
Additions		
At end of the year		
Additions–internal development		
At end of the year		
Amortization and impairment		
At beginning of the year		
Amortization		
At end of the year		
Impairment loss		
At end of the year		
NBV		

34. Investment Property

Description	2024-2025	2023-2024
	Kshs	Kshs
At beginning of the year		
Additions		
Disposal during the year		
Depreciation		
Impairment		
Gain or loss on fair value- if fair value is elected		
At end of the year		

35. Biological Assets

	2024-2025	2023-2024
	Kshs	Kshs
Trees in a plantation forest		
Animals: Dairy Cattle, Pigs, Sheep		
Others.		
Total		

36. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	439,465			
Fees paid in advance				
Salary deductions				
Third-Party Payments				
Other Payables				
Total Trade and Other Payables	439,465			
Ageing analysis:	2024-2025	% of the Total	2023-2024	% of the Total
Under one year		%		
1-2 years		%		
2-3 years	439,465	100%	439,465	100%
Over 3 years		%		
Total (to tie to totals above)	439,465	100%	439,465	100%

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37. Refundable Deposits from Customers/Students

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Consumer deposits				
Caution money				
Other refundable deposits				
Total Deposits				
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total (to tie to totals deposits above)		%		%

38. Current Provisions

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

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39. Finance Lease Obligation

Description	2024-2025	2023-2024
	Kshs	Kshs
At the start of the year		
Discount interest on Lease Liability		
Paid during the year		
At end of the year		

Maturity Analysis

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

Analysed as:

Description	Amount
	Kshs
Current	
Non- Current	
Total	

40. Deferred Income

Description	2024-2025	2023-2024
	Kshs	Kshs
National Government		
International Funding Bodies		
Public Contributions and Donations		
Total Deferred Income		

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The deferred income movement is as follows:

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

Analysed as:

Description	Amount
	Kshs
Current	
Non- Current	
Total	

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2024-2025	2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation					
Non-Current Benefit Obligation					
Total Employee Benefits Obligation					

Retirement benefit Asset/ Liability

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

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

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Description	2024-2025	Insert Comparative FY
	Kshs	Kshs
Discount Rates		
Future Salary Increases		
Future Pension Increases		
Mortality (Pre- Retirement)		
Mortality (Post- Retirement)		
Withdrawals		
Ill Health		
Retirement		

Recognition of Retirement Benefit Asset/ Liability

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

Description	2024-2025	2023-2024
	Kshs	Kshs
The return on defined plan assets		
Actuarial gains/ losses arising from changes in demographic assumptions		
Actuarial Gains/ Losses Arising From changes In Financial Assumptions		
Actuarial gains and losses arising from experience adjustments		
Others		
Adjustments for restrictions on the defined benefit asset		
Remeasurement of the net defined benefit liability (asset)		

- b) Amounts recognised in the Statement of Financial Position

Description	2024-2025	2023-2024
	Kshs	Kshs
Present value of defined benefit obligations(a)		
Fair value of plan assets(b)		
Funded status(=a-b)		
Restrictions on asset recognised		
Others.		
Net asset or liability arising from defined benefit obligation		

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The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.1, 200 per employee per month. Other than NSSF the entity also has no other defined contribution scheme. Employees contribute 6% while employers contribute 6% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

42. Payments received in advance.

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Fees received in advance	20,875		-	
Others (Specify)				
Total				
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	20,875	100%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total	20,875	100%		%

43. Borrowings

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Balance at beginning of the year	439,465		439,465	
External borrowings during the year				
Domestic borrowings during the year				
Repayments of external borrowings during the year				
Repayments of domestic borrowings during the year				
Balance at end of the year	439,465		439,465	

43 a) Analysis of External and Domestic Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'		
Sterling pound denominated loan from 'yyy organization'		
Euro denominated loan from zzz organization'		
Domestic borrowings		
Kenya shilling loan		

43 b) Breakdown of Long and Short-Term Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)		
Long Term Borrowings	439,465	439,465
Total	439,465	439,465

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

44. Non-Current Provisions

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

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45. Service Concession Arrangements

Description	2024-2025	2023-2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE		
Accumulated depreciation to date		
Net carrying amount		
Service concession liability at beginning of the year		
Service concession revenue recognized		
Service concession liability at end of the year		

46. Social Benefit Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Health social benefit scheme		
Unemployment social benefit scheme		
Orphaned and vulnerable benefit scheme		
People Living with disabilities benefit scheme		
Elderly social benefit scheme		
Bursary social benefits		
Total		
Current social benefits		
Non- current social benefits		
Total (tie to totals above)		

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47. Cash generated from operations.

Surplus for the year before tax	2024-2025	2023-2024
	Kshs	Kshs
Adjusted for:	16,869,572	(11,213,576)
Depreciation	11,571,189	12,129,165
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	22,894,227	298,007
Increase in Deferred Income		
Increase in Payables		
Increase in Payments received in advance		
Net Cash Flow from Operating Activities	3,508,816	894,923

48. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performin g Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023	452,155	652,155		
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances	1,270,987	1,270,987		
Total	1,723,142	1,948,630		
At 30 June 2025.				
Receivables from exchange transactions	22,894,227	22,894,227		
Receivables from non-exchange transactions				
Bank balances	1,011,531	1,011,531		
Total	23,905,758	23,905,758		

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.				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total				
At 30 June 2025.				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total				

(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 2025			
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.

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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

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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	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	190,976,340	190,976,340
Retained Earnings	(43,184,803)	(56,768,724)
Capital Reserve		
Total Funds	147,791,537	132,909,868
Total Borrowings	439,465	439,465
Less: Cash and Bank Balances	(1,011,531)	(1,270,840)
Net Debt/(Excess Cash and Cash Equivalents)	(572,066)	(831,405)
Gearing	0.14%	0.17%

49. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, 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;

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies		
Rent income from govt. agencies		
Water sales to govt. agencies		
Others.		
Total		
B) Purchases from related parties		
Purchases of electricity from kplc	468,491	
Purchase of water from govt service providers		
Rent expenses paid to govt agencies		
Training and conference fees paid to govt. agencies		
Others.	468,491	
Total		
b) Grants /Transfers from the Government		
Grants from National Govt	4,705,621	3,029,517
Grants from County Government		
Donations in Kind		
Total	4,705,621	3,029,517
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for 12 Employees	3,036,739	1,096,391
Payments for Goods and Services for	9,289,836	5,090,295
Total	12,326,578	6,186,686
d) Key Management Compensation		

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Description	2024-2025	2023-2024
	Kshs	Kshs
Directors' emoluments	341,000	376,700
Compensation to Key Management		
Total	341,000	376,700

50. Segment Information

51. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements		
Assets arising from determination of Court Cases		
Reimbursable Indemnities and Guarantees		
Others		
Total		

Contingent Liabilities

Description	2024-2025	2023-2024
	Kshs	Kshs
Contingent Liabilities		
Court Case Xxx against		
Bank guarantees in favour of subsidiary		
Contingent liabilities arising from Contracts including PPPs		
Others		
Total		

52. Capital Commitments

Capital Commitments	2024-2025	2023-2024
	Kshs	Kshs
Authorised for		
Authorised and Contracted for		
Total		

53. Events After The Reporting Period

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

54. Ultimate And Holding Entity

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

55. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/LARI TVET/2024/2025 (16)	Unconfirmed Cash and Cash Equivalents	The management to ensure cashbook and reconciliation statements	Resolved	End of September, 2025.
OAG/NRO/LARI TVET/2024/2025 (16)	Unsupported Trade and Other Payables	The management to initiate correspondences with the mentor institution to ensure that schedules are analyzed and availed	Resolved	End of September, 2025
OAG/NRO/LARI TVET/2024/2025 (16)	Property, Plant and Equipment	The process of acquiring document of title and avail the fixed asset register and ensure full utilization of equipment through dual training	Not resolved	End of June, 2026
OAG/NRO/LARI TVET/2024/2025 (16)	Weaknesses in the Procurement of Goods and Services	The management to operationalize procurement department through engaging a qualified procurement person to assist in compliance with Public Procurement and Asset Disposal Act, 2015.	Resolved	Immediately
OAG/NRO/LARI TVET/2024/2025 (16)	Lack of Risk Management Policy	Risk management policy to be developed and approved by the board.		End of September, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/LARI TVET/2024/2025 (16)	Lack of Internal Audit Function and Audit Committee	The management has already instituted the internal audit function and audit committee.	Resolved	End of June, 2026.
OAG/NRO/LARI TVET/2024/2025 (16)	LACK OF SEGREGATION OF DUTIES	The management to ensure compliance with PFM Act upon availability of the resources required to ensure compliance	Not resolved	End of June, 2026.
OAG/NRO/LARI TVET/2024/2025 (16)	Human Resource Management Gaps	The management to ensure compliance with human resource policy and regulation upon availability of the resources required to ensure compliance	Not resolved	End of June, 2026.
OAG/NRO/LARI TVET/2024/2025 (16)	Lack of Board Committee Charter	The management has developed and approved the Board Committee Charter	Resolved	End of September, 2025.
OAG/NRO/LARI TVET/2024/2025 (16)	Lack of ICT Steering Committee and IT Strategic Committee technology.	The management should put in place ICT Steering Committee and IT Strategic Committee technology.	Resolved	End of September, 2025.
OAG/NRO/LARI TVET/2024/2025 (16)	Long Outstanding Receivables from Exchange Transactions	The college has developed a finance policy to guide in collection of school fees to avoid long outstanding receivable from exchange transaction.	Not resolved	End of September, 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/LARI TVET/2024/2025 (16)	Budgetary Control and Performance		Continuous	The management to invest in marketing of the college programs to ensure minimal variances in the budget performance vs. actual performance.

Guidance Notes:

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



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Name : Francis Muriithi

Accounting Officer/ BOG Secretary

Date 25/11/25

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Appendix II: Projects Implemented by Lari TVC

Projects

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

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

Status of Projects completion

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

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity: **Ministry of Education – SD TVET.**

Name of beneficiary entity: **Lari Technical and Vocational College.**

Confirmation of amounts received by Lari Technical and Vocational College as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
LARITVC/PRINCIPAL/SCHOL/2024/001	15/07/2024	500,000		500,000	ALLOCATED
LARITVC/PRINCIPAL/SCHOL/2024/002	03/10/2024	500,000		500,000	ALLOCATED
LARITVC/PRINCIPAL/SCHOL/2024/003	17/01/2025	500,000		500,000	ALLOCATED
LARITVC/PRINCIPAL/SCHOL/2024/004	29/05/2025	500,000		500,000	ALLOCATED
LARITVC/PRINCIPAL/SCHOL/2024/005	13/06/2025	500,000		500,000	ALLOCATED
Total		2,500,000		2,500,000	

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Anthony Kigoho Sign [Signature] Date 25/11/25

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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

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