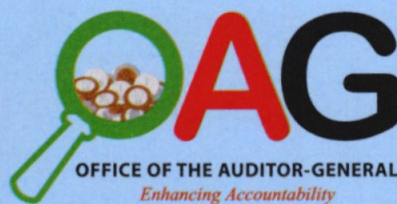


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REPORT


OF

THE AUDITOR-GENERAL

ON

HEROES TECHNICAL AND VOCATIONAL
COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 MAR 2026	DAY: TUESDAY
TABLED BY: MON. OWEN BAYA, MP	
CLERK AT TABLE: CHRISTINE NDIRITU	



Revised 30th June 2025



HEROES TECHNICAL AND VOCATIONAL COLLEGE

AMENDED 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)

Heroes 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
CBET	Competency-Based Education and Training
CDACC	Curriculum Development Assessment and Certification Council
CPA	Certified Public Accountant
FY	Financial Year
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KEBS	Kenya Bureau of Standards
KNEC	Kenya National Examinations Council
KTTC	Kenya Technical Trainers College
MR	Management Representative
NITA	National Industrial Training Authority
OAG	Office of the Auditor General
PFMA	Public Finance Management Act
PSC	Public Service Commission
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
TVET	Technical and Vocational Education and Training
TVETA	Technical and Vocational Education and Training Authority

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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

Heroes Technical and Vocational College was incorporated on 28th January 2021 under the TVET Act of 2013. The college is based in Nakuru County, specifically in Bahati Constituency, Kabatini Ward, and operates under the Ministry of Education, State Department of Technical and Vocational Education and Training.

Since opening its doors to students in February 2021, HEROES TVC has served as a key educational hub for the local community, offering courses that were previously unavailable in the area. In its fourth year of operation, the college has enrolled over 400 students in various programs, including Artisan, Craft, and Diploma courses, as well as CDACC Levels 4, 5, and 6, and NITA Grade III, II, and I certifications.

The college currently operates seven departments under the TVET Act of 2013:

1. Building and Civil Engineering
2. Mechanical Engineering
3. Information Communication Technology
4. Business
5. Electrical and Electronics Engineering
6. Hospitality Management
7. Fashion Design

The institution plans to introduce additional departments in response to growing demand

(b) Principal Activities

The principal activity of Heroes Technical and Vocational College is to offer high quality Technical Training and carry out innovative research within and outside the college

The Vision of the institution is to be a global excellence in technical skills, research and innovation for growth and development.

The Mission of the institution is to offer accessible quality technical and vocational education training, research and innovation for sustainable development.

Heroes Technical And Vocational College
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The core function or objectives of heroes technical and vocational college are college its mandate to offer technical and vocational course in across levels 3,4,5 and 6 which are examined by CBETT CDACC, KNEC AND NITA . The institution also offers co-curriculum activities ranging from sports, drama clubs and societies as well environmental and talent -based engagement

(c) Key Management

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

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Management...;

(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	-Emmy Seroney
2.	Deputy principal Finance	-Daniel Okelo
3	Deputy principal Academics	-Ruth Kosgey
4	Registrar (s)	-Duncan Kones
5	Dean of students	-Anthony Gathekia
6	Head of Finance	-Saitoti Raphael

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

The Board of Governors' Sub-committees facilitate decision making to assist the Board in execution of its duties, powers and authority; however, delegation of authority to the committees does not in any way take away the prerogative powers of the Main Board in discharging its duties. The Committees have been established with formal written terms of reference to guide their activities. The duties of the respective committees are to strategize, monitor and evaluate the execution of the various factions in **Heroes TVC**.

The Finance committee oversees budgetary approvals and development projects evaluation and performs routine checks and balances to the finances of the institution. The committee is also in charge of recruitment and staff appraisals.

The Audit committee on the other hand ensures that the internal controls and procedures are adhered to, and all material areas are put into scrutiny to safeguard the college assets and to curb any financial threat.

The Education committee oversees developing of education policies and make sure the progress of Heroes Technical academically, is a priority and the learning environment is conducive for students as well as their welfare.

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

1. Audit and Risk Committee

- i) Dickson Nyakundi -Chairperson
- ii) Amos Akelo - Member
- iii) Collins Olutende-Member

2. Finance and Infrastructure Committee

- i) Nancy Wanjiku -Chairperson
- ii) Emmy Seroney - Secretary
- iii) George Ndirangu- Member
- iv) Dr Esther Koske Chemutai

3. Education Committee, Training & Human Resource Committee

- i) George Ndirangu-Chairperson
- ii) Amos Akelo - Member
- iii) Rosemary Kimani – County Director (TVET)

(f) Entity Headquarters

Heroes TVC Main Campus Building,
Mawanga-Murunyu-Wanyororo Road
P.O. Box 13701-20100
Nakuru, Kenya

(g) Entity Contacts

Telephone: (254) 792526073
E-mail: heroestechnical2019@gmail.com
Website: www.heroestvc.act.ke

(h) Entity Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

Other Commercial Banks
EQUITY BANK Kenya ltd
Nakuru branch
P.O BOX 12568-20100
Gatehouse Nakuru Kenya
Commercial Banks

(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

**XXX TTI/TVC /National Polytechnic/Teacher Training College
Annual Report and Financial Statements for the year ended 30th June 20XX**



3.The Council/Board of Governors

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 <p>Dr. Caleb Oreng HEROES TVC B.O.G Chairperson</p>	<ul style="list-style-type: none"> -Date of birth 20/dec/1964 -PhD in Animal Physiology-UON -MSc in Animal Physiology-UON -Bachelor of Vet Medicine -Senior Lecturer, Dep of Vet. Anatomy- Egerton University -Member of Kenya Veterinary Association (KVB). <p>Kenya DAAD Scholars Association</p>
2.	 <p>Dr. Esther Chemutai Koske Member Board of Governors</p>	<ul style="list-style-type: none"> -Date of birth 14/7/1965 -Ongoing Doctor of Philosophy in Business Administration-JKUAT. -She holds a Master's of Science Business Administration-JKUAT -Serves as the Assistant Director, Office Administrative services, Office of the First Lady <p>Part time Lecturer, Strategic Management, Organizational Behaviour and Human Resources Management-JKUAT& Kabarak</p>
3.	 <p>CPA. Nancy Wanjiku Karanja Member Board of Governors</p>	<ul style="list-style-type: none"> -Date of birth 2/4/1980 -Ongoing of MSC Finance -Certified Public Accountant K -Bachelor of Commerce (Finance)- JKUAT <p>Project Finance Lead-Waruihu Construction Company.</p>

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<p>4.</p>	 <p>Mr. Collins Olutende Member Board of Governors</p>	<ul style="list-style-type: none"> -Date of birth 8/8/1991 -Bachelor of Business Information Technology-MKU Communications Liasson-Office of The Member of Parliament(Bahati Constituency)
<p>5.</p>	 <p>Eng. George Mbugua Ndirangu Member Board of Governors</p>	<ul style="list-style-type: none"> -Date of birth 28/10/1963 -bachelor of science in civil engineering -certificate in technical introduction to structural Eurocodes -diploma in business management Certificate in AUTOCAD level one
<p>6.</p>	 <p>Eng. Amos Otieno Akello Member Board of Governors</p>	<ul style="list-style-type: none"> -Date of birth 10/5/1960 -Holds a BsC IN Mechanical Engineering-UON. -Registered Graduate Engineer-EBK -Head OF Quality Assurance and MR-Numerical Machining Complex Ltd. Production Planning Engineer (2011-2013)- Numerical Machining Complex Ltd
<p>7.</p>	 <p>Mr. Dickson Nyakundi (CPA)</p>	<ul style="list-style-type: none"> -Date of birth 17/9/1984 -Master in business administration finance option -Bachelor of commerce accounting option -C.P.A K -Accountant Nakuru North Sub- County

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<p>8.</p>	 <p>Rosemary Kimani County Director (TVET)</p>	<p>Rosemary Kimani is an accomplished Educationist, She holds a MSc degree in Animal Ecology and Conservation as well as a BEd Science in Zoology and Mathematics from Kenyatta University and certificate in Environmental Impact Assessment from African Nazarene University. Currently She is the Regional / County Director of TVET Central Rift Valley in charge of Nakuru and Baringo Counties. -</p>
<p>9.</p>	 <p>Mrs Emmy Seroney Principal And Secretary to the Board of Governor</p>	<p>Date Of Birth 04/05/1972 -Bachelor In Hospitality and Tourism -Bachelor In Food and Beverage --not a member of ICS</p>

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

4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 <p>Mrs Emmy Seroney -Bachelor degree in hospitality and tourism -Bachelor in food and beverage</p>	<p>-Principal of the college -Secretary to the board of governance</p>
2.	 <p>Mr Daniel O Okello Deputy Principal (Administration)</p>	<p>-Currently the Deputy Principal Administration</p> <ul style="list-style-type: none"> - HND Building & Civil Eng Technology - Diploma in Building Engineering Diploma in Technical Education
3.	 <p>Ms. Ruth Kosgei Deputy Principal (Academics)</p>	<ul style="list-style-type: none"> - Currently the Deputy Principal Academics Heroes TVC - MSC IT - B. ED IT& Education Dip in Technical Education
4.	 <p>Mr Kones Duncan Cheruiyot Registrar Academic Affair</p>	<ul style="list-style-type: none"> -Bachelor of civil engineering -College registrar in charge of academic affair -Processing registration request -Management of strategic enrolment and data analysis

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5.	 Mr Anthony Gathekia -Dean of students	Responsibility -Handling students welfare affairs -Ensuring orientation of new trainers -Holder of diploma in ICT <i>Etc</i>
6.	 Mr Saitoti Raphael Accountant -Maintaning and preparing of financial statements/reports	-CPA Level V -Diploma In Theology

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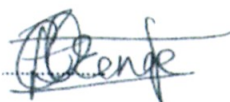
5. Chairman's Statement

I am pleased to present the annual financial statement of Heroes Technical and Vocational College for the year ended 30th June 2025.

Despite facing financial challenges, Heroes Technical and Vocational College has made significant progress. Notably, there has been a marked improvement in the learning environment, with the recruitment of additional teaching staff on BOG terms and a modest increase in student enrolment, driven by targeted marketing efforts.

However, the institution continues to face financial difficulties due to delayed fee payments and insufficient grants, which have impacted service delivery. Additionally, high competition from established institutions within the region has contributed to lower enrolment across various intakes. I would like to take this opportunity to reaffirm the board's commitment to providing effective leadership for the continued growth of the college. The board will persist in maintaining policy direction that empowers management and staff to work collaboratively with all stakeholders in pursuit of the college's vision, in alignment with the spirit of participation enshrined in our Constitution.

I extend my gratitude to all stakeholders who have contributed to the institution's success.



Caleb Oburu Oreng

Chairman, Board of Governors.

6. Report of the Chief/Senior Principal

It is my pleasure to present the financial statement for the year ended 30th June 2025. This year, the institution experienced a slight increase in student enrolment. Despite the challenges, we remain committed to fulfilling our mandate of providing quality training, and we anticipate further growth in student population in the future, driven by ongoing marketing initiatives.

The main sources of revenue for the institution are fee collections from students, as well as government funding through capitation and other recurrent grants.

During the financial year, the institution focused on activities aimed at achieving the goals outlined in our Strategic Plan. Resources were allocated to marketing efforts to boost student enrolment, infrastructural development, and initiatives in training, research, and ICT. Key priorities implemented during the year include:

1. Purchase of training equipment
2. Participation in the Regional KATTI Sports 2024/25
3. Marketing efforts in Bahati Constituency and surrounding areas
4. Engagement in research and innovation through the National TVET Fairs and Robotics

On behalf of the institution, I extend my sincere gratitude to the Government of Kenya for its continued support, as well as to our collaborators and stakeholders whose contributions have exceeded our expectations. I also wish to thank the management team, staff, and students for their dedication, discipline, and the spirit of teamwork that have been instrumental to our success this year.



Mrs Emmy Seroney
Principal

Heroes Technical And Vocational College
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7. Statement of Performance against Predetermined Objectives

Heroes TVC has five strategic pillars and objectives within its Strategic Plan for the FY 2024/2025 These strategic pillars are as follows:

Pillars

- 1: Teaching & Learning Pillar
- 2: Physical Infrastructure Pillar
- 3: Governance and Management Pillar
- 4: ICT Pillar
- 5: Finance

The Institute develops its annual work plans based on the above five pillars.

Heroes TVC develops its annual work plans based on the above 5 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Heroes TVC achieved its performance targets set for the FY 2024/25 period for its strategic pillars, as indicated in the diagram below:

Heroes TVC has 5 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2024- FY 2025. These strategic pillars are as follows:

- Pillar/ theme/issue 1:
 Pillar/ theme/ issue 2:

Heroes TVC develops its annual work plans based on the above 5 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Heroes TVC achieved its performance targets set for the FY 2024/25 period for its (XX No.) strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
1. 1 Competent Graduates	<ul style="list-style-type: none"> •To produce competent graduates •To implement programs that 	-Additional marketable courses at HEROES TVC	- Marketing. - Scholarships and Collaborations Surveys	- 32 approved CDACC courses added to the approved

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	are market driven.			7 KNEC courses -Increase in trainee's intake from 200 in the year 2023/24 to 700 trainees in the year 2024/25
2 Facilities and infrastructure Development	To provide adequate infrastructure to support expanded mandate of HTVC	-Additional marketable courses at HEROES TVC	- Trainings No. of Practical lessons for ICT, Electrical and Building departments.	Additional of 130 lecture sits -partitioning of reception \$ principal secretary offices -Addition of working tables in hospitality department
Institutional Capacity	- To achieve quality service delivery To attract and retain skilled, motivated and productive staff	- Initiate management information systems and quality assurance - Recruit, select and retain adequate human resource with the right	- No. of advertised positions - No. of newly employed staff Attendance list of the MIS launching in places.	Recruitment of 8 staff both PSC and BOG has been achieved Capacity Building of Training staff in readiness for CBET CDACC rollout. General Staff Team Building

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		<p>skills and competencies.</p> <ul style="list-style-type: none"> - Implement initiatives for motivating staff such as attractive terms and condition of service. <p>capacity building and provision of adequate tools and equipment.</p>		
Human Resource Development	<ul style="list-style-type: none"> - To attract and retain competent Staff <p>To provide an enabling environment for teaching and nonteaching staff to develop themselves.</p>	<ul style="list-style-type: none"> - Carry out capacity building - Establish a performance reward system - Review terms and conditions of service. <p>Appraise staff annually</p>		

8. Corporate Governance Statement

The board consist of nine members inclusive of the principal, who is the secretary,

1. Dr Caleb Orege -----chairperson on BOG
2. Dr Esther Chemutai-----member
3. Dr Nancy Wanjiku -----member
4. Mr Collins Olutende-----member
5. ENG. George Mbugua -----member
6. ENG. Amos Otieno Okello-----member
7. Mr Dickson Nyakundi-----advocate of the high court of Kenya
8. Rosemarry Kimani-----county director -technical & vocational
9. Mrs Emmy Seroney-----secretary to the BOG

The detailed Biographies are detailed in pages vii-xii. They all possess broad range of skills, qualifications and experience required to lead the institution. They have been duly appointed by the Cabinet Secretary of Education.

1. Code of conduct/ responsibilities of board members

Heroes Board of Governors relies on the prescription of the Technical and Vocational Education and Training Act, 2013 on the description of its responsibilities, functions and structure and ethical conduct.

2. Appointment and removal of Board of Governors

The appointment and removal of the Board of Governors is prescribed under the Technical and Vocational Education and Training Act, 2013. The appointing authority takes into consideration skills mix in selection to ensure persons with key specialization are included such as Information Communication Technology, Finance, Technical areas etc. it also factors in gender and ethnic representation as per the Constitution. The current Board of Governors was appointed by the Permanent Secretary Ministry of Education Science and Technology in 14th November 2023 and it is meant to run for the next three years.

3. Training

The Board of Governors attended induction training in corporate governance organized by the Ministry through the Technical and Vocational Education and Training in December 2023 and was attended by all members led by the Chairperson.

4. Board performance evaluation

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There is a formal process for reviewing and evaluation of Boards performance and its committee

5. Conflict of interest

Declaration of conflict of interest is maintained in all meetings. A register of conflict of interest is maintained by the institution to record all the declarations

6. Board remuneration

The Board are entitled to sitting allowance as prescribed in the Heroes Technical and Vocational College Board allowances.

7. Succession plan

The current board does not have a succession plan as members appointed were given the same time of tenure. The Institute is in discussion with the parent ministry to stagger appointment of the Board members

8. Board meeting attendance

The board holds its meetings at least once every quarter. In Financial Year 2024/2025, meetings were held as follows;

	Nature of meeting	Ordinary	Special	Total
1	Full Board	3	1	4
2	Committee Meetings	1	3	4
3	Training	0	0	0

9. Management Discussion and Analysis

1) Financial performance

The budget execution reveals significant financial stress. While the institution planned ambitiously, actual revenue fell short—especially from student fees, which were only 19% of projections. This gap suggests challenges in fee payment compliance and possibly marketing should be done to bring more students. The high utilization of employee costs (83%) reflects prioritization of core operations, but low spending on infrastructure and board activities may hinder long-term development.

Key projects and investment decisions

Capital projects are key to the growth and development of the Institute given its continued expansion and improvement of the required physical facilities to accommodate increasing population.

During the year under review, the major projects undertaken included setting up of a computer lab, acquisition of classroom furniture, workshop equipment's and consumables and Marketing of the Institute's Programmes. The challenges in implementation include delays in disbursement of funds

10. Environmental And Sustainability Reporting Statement

During the reporting period, the entity continued to operate within a dynamic global environment shaped by significant political and macroeconomic trends. Globally, heightened geopolitical tensions, fluctuating commodity prices, currency volatility, and tightening financial conditions influenced the cost of operations and access to essential resources. Climate change remained a central sustainability concern, with extreme weather events and shifting regulatory expectations reinforcing the need for resilient and adaptive service-delivery systems.

In line with these frameworks, the entity's sustainability priorities remained focused on responsible resource utilization, inclusive economic participation, environmental stewardship, and enhanced social impact. The entity's sustainability policy framework emphasizes climate-responsive planning, improved operational efficiency, ethical governance, and the empowerment of marginalized groups. These priorities guided all programs and decision-making processes throughout the period under review.

During the reporting period, the entity registered several key achievements. These included improved compliance with environmental management guidelines, increased integration of renewable energy solutions in selected facilities, and enhanced stakeholder engagement on sustainability matters. Additionally, the entity strengthened internal controls and staff capacity on sustainability reporting, contributing to improved transparency and accountability.

Despite these achievements, the entity encountered several challenges. Budgetary constraints, unpredictable macroeconomic conditions, and delays in supply-chain processes affected the timely implementation of certain sustainability initiatives. In some cases, the effects of climate variability disrupted planned operations, while limited data-management systems impeded comprehensive tracking of sustainability indicators. To address these shortcomings, the entity instituted mitigation measures such as prioritization of high-impact interventions, adoption of energy-efficient technologies, enhanced monitoring and evaluation systems, and capacity-building programs for staff and suppliers. Strategic partnerships were also pursued to leverage technical expertise and mobilize additional resources.

Sustainability strategy and profile

The entity remains committed to delivering quality and timely services in accordance with its Service Delivery Charter, which outlines the standards, timelines, and client-engagement procedures guiding all service interactions. The charter emphasizes professionalism, transparency, responsiveness, and continuous improvement as core service-delivery principles. Mechanisms for lodging complaints, seeking clarification, and monitoring service commitments are clearly established to ensure accountability and customer satisfaction.

With respect to contracts management, the entity maintained strict adherence to relevant procurement laws, regulations, and internal policies. The contracting procedures ensure fairness,

Heroes Technical And Vocational College

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

competitiveness, and inclusivity, with deliberate efforts made to engage local suppliers and empower special groups.

Overall, the period under review demonstrated the entity's continued commitment to sustainability, inclusive development, and accountable service delivery. While challenges were encountered, the mitigation measures adopted, combined with strengthened policy alignment and improved operational frameworks, position the entity to deliver even stronger outcomes in subsequent reporting periods

Environmental performance

The organisation's environmental policy is guided by a commitment to sustainable development, efficient utilisation of natural resources, compliance with environmental legislation and standards, and continual improvement of environmental performance across all operations. The policy emphasises pollution prevention, conservation of biodiversity, responsible waste management, and the reduction of carbon emissions. It further prioritises environmental awareness among staff, the adoption of green technologies, and partnerships that enhance environmental stewardship. Evidence of policy implementation is demonstrated through the, staff training on sustainability practices, introduction of paperless office systems,

In addition, conservation activities—including tree-planting exercises and protection of natural habitats around the organisation's premises—have contributed to biodiversity management.

Despite these achievements, some shortcomings remain. These include limited resources to scale up renewable-energy projects, occasional non-compliance with waste-segregation procedures, inadequate monitoring mechanisms for biodiversity efforts, and inconsistent supplier adherence to sustainable procurement guidelines. To address these challenges, the organisation has put in place mitigation measures such as strengthening internal monitoring frameworks, expanding staff sensitisation on waste management, engaging suppliers through sustainability criteria, and planning phased investment in additional green technologies.

Efforts to manage biodiversity include restoration of degraded areas, planting indigenous tree species within the organisation's compound, and collaborating with environmental agencies to support conservation programmes. Waste-management initiatives follow the principles of reduce, reuse, and recycle.

These climate-resilient interventions not only support national climate goals but also demonstrate the organisation's commitment to environmental responsibility and sustainable growth.

Employee welfare

The organisation's hiring process is guided by formal Human Resource (HR) policies that promote fairness, transparency, and equal opportunity. Recruitment procedures are based on merit, with clearly defined job descriptions, competency requirements, and structured selection methods such as shortlisting, interviews, and, where necessary, technical assessments. These policies expressly consider diversity objectives, including maintaining a fair gender ratio across male, female, and youth categories, and ensuring equitable access for Persons with Disabilities (PWD). The organisation adheres to national equality and inclusion frameworks and provides reasonable

Heroes Technical And Vocational College
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accommodation throughout the recruitment process. Stakeholder engagement is embedded in policy implementation, with consultations held periodically with staff representatives, recruitment panels, and management to ensure alignment with organisational values and emerging labour standards. The HR policies are reviewed regularly—typically every three years or as organisational needs evolve—to incorporate best practices, regulatory changes, and feedback from internal stakeholders.

Continuous professional development is a key component of the organisation’s human capital strategy. Employees benefit from targeted capacity-building programmes such as in-house training, external courses, mentorship, and leadership development initiatives aimed at improving skills and supporting long-term career progression. A structured performance management system ensures that all staff undergo periodic appraisals to assess productivity, identify development needs, and recognise high performers. Reward systems include performance-based bonuses, recognition schemes, opportunities for promotion, and non-monetary incentives that reinforce motivation and organisational commitment.

Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice

Responsible Competition and Anti-Corruption Practices:

Heroes Technical and Vocational College upholds a strong commitment to responsible competition and ethical conduct in all its operations. The institution strictly adheres to anti-corruption policies, ensuring transparency in all financial and operational processes. Any acts of corruption are actively discouraged, with clear reporting channels in place for staff and stakeholders to report any unethical practices.

The college ensures fair competition through open tendering processes, where procurement opportunities are advertised publicly to allow equal access for all potential suppliers and contractors. The institution respects its competitors and operates with integrity, focusing on providing high-quality education and training while fostering healthy competition within the education sector.

Cashless Payments and Public Outreach:

The college has fully adopted cashless payment systems, allowing students and staff to make payments securely and conveniently through digital platforms. This reduces the risk of financial mismanagement and ensures a transparent transaction process.

Heroes Technical And Vocational College
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Public sensitization and outreach programs are regularly organized to engage the local community and raise awareness about the college's programs and initiatives. These efforts help improve the institution's visibility and strengthen its relationship with stakeholders.

b) Responsible Supply chain and supplier relations

Heroes Technical and Vocational College is committed to upholding high standards of business ethics and integrity in all its dealings, both internally and externally. The institution operates with transparency, accountability, and respect, ensuring that all stakeholders, including suppliers, are treated fairly and responsibly.

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

The institution engages in marketing through various online platforms, leveraging digital tools to reach a wider audience. Additionally, the college conducts outreach by visiting nearby urban centers, promoting its programs and services to potential students and stakeholders in these communities.

d) Product stewardship or Awareness Creation

The institution conducts thorough inspections of all procured goods to ensure they meet established standards. Additionally, all items are properly labelled in compliance with the Kenya Bureau of Standards (KEBS) regulations.

Corporate Social Responsibility / Community Engagements

During the reporting period, Heroes Technical and Vocational College has been actively involved in various CSR initiatives, contributing positively to the local community and beyond. The college's CSR efforts are in line with its core mandate of providing education and fostering sustainable development.

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

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, 2024, which show the state of the Heroes TVC affairs.

Principal activities

The principal activities of the entity are learning and training

Results

The results of the entity for the year ended 30 June 2025 are set out on page 1 to 8

Council/Board of Governors

The members of the Board /Council who served during the year are shown on page xxx. During the year 2025 no director retired/ resigned and no director was appointed with effect from 1 July 2024 to date.

Auditors

The Auditor General is responsible for the statutory audit of the Heroes TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or NO Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *HEROES 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:

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* - require the council members to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity 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 the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The council members are also responsible for safeguarding the assets of the entity.

The Council members are responsible for the preparation and presentation of the entity’s financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (2024/2025) 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 the entity’s financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity’s financial statements as well as the adequacy of the systems of internal financial control.

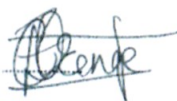
Heroes Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

In preparing the financial statements, the principal has assessed the colleges' ability to continue as a going concern.

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

Approval of the financial statements

The HEROES TVC financial statements were approved by the Board on 25/12/ 2025 and signed on its behalf by:



.....
Name: Caleb Orange
Chairperson of the Board/Council



.....
Name Emmy Seroney
Accounting Officer/Principal

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 HEROES 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 that 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 for Heroes Technical and Vocational College for the year ended 30 June, 2025 as set out on pages 1 to 59, which

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

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

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

- i. The statement of changes in net assets reflects transfer of depreciation/amortization from capital fund to retain earnings of a negative amount of Kshs.5,502,962. However, the amount was not supported by any workings or computations and assets movement schedules.
- ii. Note 47 to the financial statements reflects increase in receivables and increase in payables amounts of Kshs.11,441,500 and Kshs.3,189,637 respectively. However, the re-computed balances revealed increases of Kshs.4,173,853 and Kshs.3,048,317 resulting in unexplained and unreconciled variances of Kshs.7,267,647 and Kshs.141,320 respectively.

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

2. Inaccuracy in the Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.807,393 which includes balance of Kshs.745,848 and Kshs.61,545 held in a local bank and as disclosed in Note 26 to the financial statements. However, review of the cash book in respect of one account with the balance of Kshs.745,848 revealed that the account was overdrawn with cash book balance of Kshs.261,131 resulting in an unexplained and unreconciled variance of Kshs.1,006,979. Further, the account with balance of Kshs.61,545 was not supported with cash book, bank reconciliation statements, Board of Survey report and the certificate of bank balance.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.807,393 could not be confirmed.

3. Inaccuracy in Current Portion of Receivables from Exchange Transactions Balance

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.11,441,500 and disclosed in Note 27(a) to the financial statements. However, review of corresponding Note 27(c) in respect of the ageing analysis revealed balance of Kshs.12,485,639 resulting to an unexplained and unreconciled variance of Kshs.1,044,139.

Further, review of ageing analysis in Note 27(c) revealed balance of Kshs.12,485,639 which includes balance of Kshs.3,745,640 or 30% of the receivables from exchange transactions had been outstanding for more than two (2) years, indicating long-outstanding debts with limited recovery action.

In the circumstances, the accuracy, completeness and recoverability of the current portion of receivables from exchange transactions balance of Kshs.11,441,500 could not be confirmed.

4. Property, Plant and Equipment.

4.1. Inaccuracy in the Property, Plant and Equipment Balance.

The statement of financial position reflects property, plant and equipment balance of Kshs.77,103,770 and as disclosed in Note 32 to the financial statements. However, review of the corresponding Note 32 revealed balance of Kshs.77,324,166 resulting in an unexplained and unreconciled variance of Kshs.220,396.

4.2. Unsupported Property, Plant and Equipment Balance.

The statement of financial position reflects property, plant and equipment balance of Kshs.77,103,770 which includes Kshs.25,000,000 in respect of the land and as disclosed in Note 32 to the financial statements. However, as previously reported, the College's ownership document (title deed) is registered in the name of Bahati Technical and Vocational College and land valuation reports confirming the land value was not provided for audit review. In addition, note 32 to the financial statements reflects Property, plant and equipment net book value of Kshs.77,324,166 resulting in a variance of Kshs.220,396 which has not been reconciled or explained.

4.3. Failure to Maintain Assets Register

During the year under review the College did not maintain fixed asset register. This is contrary to Regulation 143 (1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the accuracy, completeness, existence and valuation of the property, plant and equipment balance of Kshs.77,103,770 could not be confirmed.

5. Unsupported Board Expenses

The statement of financial performance reflects Board expenses of an amount of Kshs.348,000 and as disclosed in in Note 17 to the financial statements. However, the expenditure was not supported with expenditure schedules including, Board charter, gazette notice of the Board, appointment letters for Board members and Board calendar for planned meetings for the year under review.

In the circumstances, the accuracy and completeness of the Board expenses amounting to Kshs.348,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Heroes 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 summary statement of comparison of budget and actual amounts reflects a final receipts budget and actual on comparable basis amounts of Kshs.27,571,927 and Kshs.9,001,438 respectively resulting to under-funding of Kshs.18,570,489 or 33% of the budget. Similarly, the statement reflects expenditure of an amount of Kshs.9,551,722 against actual receipts of Kshs.9,001,438 resulting to over absorption of Kshs.550,284 or 6% of the actual receipts.

The under-funding affected the planned activities of the College and may have impacted negatively on service delivery to the public.

2. Imbalanced Budget

The statement of comparison of budget and actual amounts for the year under review reflects total income budget of Kshs.27,571,927 and total expenditure budget of Kshs.19,949,677 resulting to variance of Kshs.7,622,250. The budget imbalance is contrary to the provisions of section 31(c) of the Public Finance Management (County Governments) Regulations 2015 which states that budget revenue and expenditure appropriation shall be balanced.

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

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Internal Controls, Risk Management and Governance which have remained unresolved as shown in **Appendix 1**. Review of the status during audit of the College in 2024/2025 revealed that the issues remained unresolved:

Other Information

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

In connection with my audit on the College's financial statements, my responsibility is to read the Other information and in doing so, consider whether the Other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. 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 sections of my report, I confirm that nothing else has come to my attention to cause me to believe public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows;

- i. The secretary to the Board has not been indicated if she is a member of ICS (Institute of Certified Secretaries) as required under the Mwongozo Code of Governance.
- ii. The report of the principal did not include the financial performance of the college as required by the recommended financial reporting template for TVETs.
- iii. The Corporate Governance statement did not include the existence of a Board charter and Governance audit.
- iv. The management discussion and analysis report indicated that the major projects undertaken during the year included setting up of a computer lab, acquisition of classroom furniture and workshop equipment. However, Appendix II to the financial statements on projects implemented by the College did not provide any details of the major projects undertaken.
- v. The report of the Board of Governors section indicated “the year ended June 30 20XX” instead of the year ended 30 June 2025 including other sections in the financial statements were not customized.
- vi. Appendix 1 to the financial statements on implementation status of Auditor General recommendations has not indicated the status of the issues raised in the previous year.

In the circumstances, Management was in breach of the PSASB guidelines. Further, lack relevant information may affect users’ reliance on the financial statements for decision making.

2. Failure to Deduct and Remit Statutory Deductions

The statement of financial performance reflects employee costs amount of Kshs.2,064,355 and as disclosed in Note 16 to the financial statement. Review of the staff payroll revealed that the College did not deduct and remit housing levy contributions for its employees for the year under review. This is contrary Section 4(1) and (2) of the Affordable Housing Act, 2024 which states that there is imposed a levy known as the Affordable Housing Levy; and the Levy shall be at the rate of one point five percent of the gross salary of an employee; or the gross income of a person received or accrued which is not subject to the Levy under paragraph (a).

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

3. Non-Compliance with the Law on Recruitment of Staff Living with Disabilities

Review of the payroll revealed that the College had twenty-three (23) employees on contractual basis. However, none of the employees is a person living with disability. This is contrary to Section B.23(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which states that persons with disability shall be accorded equal employment opportunities provided they have the necessary qualifications and are

suitable for such employment. Further, sub-section 2 states that the Government shall implement the principle that at least five (5) percent of all appointments shall be for persons with disabilities.

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

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 sections of my report, I confirm 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. Failure to Maintain an Imprest Register

During the year under review, the College issued imprests to various staff amounting to Kshs.588,800 to run various activities of the College. However, imprest register was not been maintained to record imprest issued. This is contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which state that before issuing temporary imprests under paragraph (2), the Accounting Officer shall ensure that the applicant imprest has been recorded in the imprest register including the amount applied for.

In the circumstances, the effectiveness of internal controls in relation to management of imprests could not be confirmed and Management was in breach of the law.

2. Lack of an Approved Strategic Plan

During the year under review, the College did not have an approved strategic plan as required. This is contrary to Section 29 (d) of the Technical and Vocational Education and Training Act, 2013 which states that the functions of the organs set out under section 28(1) shall include developing and implementing the institutions' strategic plan. Therefore, the College cannot execute its operations adequately.

In the circumstances, the College may not be able to adequately measure the achievements of its strategic objectives which may affect service delivery to the public and Management was in breach of the law.

3. Lack of a Risk Management and Fraud Policy

During the year under review, the College did not have in place a fraud management policy to assist in detecting and preventing fraud during the year under review. Further, Management did not have a risk management policy or strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks. This is contrary to Regulation 165 of the Public Finance Management (National Government) Regulations, 2015.

Further, the College lacks a disaster recovery plan or business continuity plan which outlines how it will continue operating during an unplanned disruption in service. Management has not instituted its own policies and procedures to guide key financial processes and controls for the management of personnel and related expenditure. Management did not perform formal risk assessments during the financial year under review. There is a risk that management is not in a position to identify individual risks, magnitude and likelihood of occurrence. The management may not therefore, be in a position to evaluate, rank and prioritize critical risks and channel resources towards mitigating identified risks. Ultimately the utilization of resources and quality of service may be negatively affected

In the circumstances, the effectiveness of internal controls, risk management and governance could not be confirmed and Management was in breach of the law.

4. Lack of an Approved Staff Establishment

During the year under review, College did not have an approved staff establishment in respect of staffing, evaluation of competency and effective service delivery by considering the current staff in post, the optimal staffing levels and the grading structure for the staff. This is contrary to Policy B.2(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which requires every public entity to prepare human resource plans based on comprehensive job analysis to support achievement of goals and objectives in their strategic plans.

In the circumstances, Management may not be in a position to establish whether the College is operating with an optimal number of staff for effective service delivery to the public and management was in breach of the law.

5. Lack of an Internal Audit Function and Audit Committee

During the year under review, the College did not have an established audit committee of the Board and an effective internal audit function. This is contrary to Section 73(1)(a) and (5) of the Public Finance Management Act, 2012 which states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board and every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations.

In the circumstances, the effectiveness of the internal controls, risk management and governance could not be confirmed and Management was in breach of the law..

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48

of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu CBS
AUDITOR-GENERAL

Nairobi

15 December, 2025

Appendix 1

Unresolved Prior Year Matters

S/No	Financial Year	Issues
1	2023-2024	Inaccuracies in the Financial Statements
2	2023-2024	Undisclosed Transfers from the National Government – Grants Amount
3	2023-2024	Unsupported Rendering of Services - Fees from Students Amount
4	2023-2024	Unsupported Use of Goods and Services Expenditure
5	2023-2024	Unsupported Depreciation and Amortization Expenses
6	2023-2024	Unsupported Cash and Cash Equivalents Balance
7	2023-2024	Unsupported Receivables from Exchange Transactions Balance
8	2023-2024	Unsupported Property, Plant and Equipment Balance
9	2023-2024	Late Submission of Financial Statements
10	2023-2024	Employment of Staff without a Valid Contract or Agreement
11	2023-2024	Lack of Internal Audit Function and Audit Committee
12	2023-2024	Irregular Opening of Bank Account
13	2023-2024	Lack of a Fixed Asset Register
14	2023-2024	Lack of an Approved Strategic Plan
15	2023-2024	Lack of a Risk Management and Fraud Policy
16	2023-2024	Lack of an Approved Staff Establishment

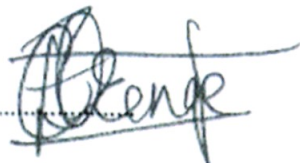
Heroes Technical And Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

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

	Notes	FY2024-2025	FY2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	4,447,576.00	5,787,328.00
Grants from donors and development partners	7	0.00	0.00
Transfers from other levels of government	8	0.00	0.00
Public contributions and donations	9	0.00	0.00
		4,447,576.00	5,787,328.00
Revenue from Exchange transactions			
Rendering of services- fees from students	10	15,956,953.00	7,300,254.00
Sale of goods	11	540	0.00
Rental revenue from facilities and equipment	12	0.00	0.00
Finance income	13	0.00	0.00
Miscellaneous income	14	0.00	0.00
Revenue from Exchange transactions		15,957,493.00	7,300,254.00
Total Revenue		20,405,069.00	13,087,582.00
Expenses			
Use of goods and services	15	3,878,665.00	4,955,432.00
Employee costs	16	2,064,335.00	1,280,500.00
Board /Council Expenses	17	348,000.00	794,786.00
Depreciation and amortization expense	18	1,350,118.00	2,001,030.00
Repairs and maintenance	19	532,400.00	150,000.00
Contracted services	20	0.00	0.00
Grants and subsidies	21	0.00	0.00
Finance costs	22	0.00	0.00
Total Expenses		8,173,518.00	9,181,748.00
Other Gains/(Losses)			
Gain on sale of assets	23	0.00	0.00
Gain/ Loss on fair value of investments	24	0.00	0.00
Impairment loss	25	(0.00)	0.00
Total Other Gains/(Losses)		0.00	0.00
Net surplus/(deficit) for the year		12,231,551.00	3,905,834.00

Heroes 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 were signed by:



.....
Chairman of Council/Board

Date 05/12/2025



.....
Principal

Date 05/12/2025



.....
Finance Officer

ICPAK No 45500/39/2
Date 05/12/2025

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

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

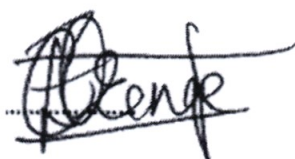
15. Statement of Financial Position As At 30th June 2025

Description	Notes	FY2024-2025	FY2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	807,393.00	1,357,677.00
Current portion of receivables from exchange transactions	27(a)	11,441,500.00	7,267,647.00
Receivables from non-exchange transactions	28	0.00	0.00
Inventories	29	376,510.00	0.00
Investments in financial assets	30	0.00	0.00
Prepayments	31	0.00	0.00
Total Current Assets		12,625,403	8,625,324.00
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	0.00	0.00
Investments	30	0.00	0.00
Property, plant, and equipment	32	77,103,770.00	78,453,890.00
Intangible assets	33	0.00	0.00
Investment property	34	0.00	0.00
Biological Assets	35	0.00	0.00
Total Non-Current Assets		77,103,770	78,453,890.00
Total Assets (A)		89,729,173.00	87,079,214.00
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	36	3,189,637.00	1,413,250.00
Refundable deposits from customers	37	0.00	0.00
Current provisions	38	0.00	0.00
Finance lease obligation	39	0.00	0.00
Deferred income	40	0.00	0.00
Employee benefit obligation	41	0.00	0.00
Payments received in advance	42	0.00	0.00
Current portion of borrowings	43	0.00	0.00
Social Benefits	46	0.00	0.00

Heroes Technical And Vocational College
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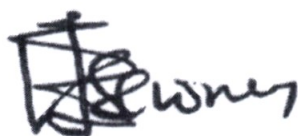
Description	Notes	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Total Current Liabilities		3,189,637.00	1,413,250.00
Non-Current Liabilities		0.00	-
Finance lease obligation	39	0.00	0.00
Deferred income	40	0.00	0.00
Non-Current Employee Benefit Obligation	41	0.00	0.00
Non- Current Borrowings	43	0.00	0.00
Non-Current Provisions	44	0.00	0.00
Service Concession Liability	45	0.00	0.00
Social benefits	46	0.00	0.00
Total non- current liabilities		0.00	0.00
Total Liabilities (B)		3,189,637.00	85,665,964.00
Net Assets (A-B)		86,539,536.00	1,413,250
Represented By:			
Revaluation Reserves		0.00	0.00
Accumulated Surplus		14,501,809.00	2,270,258.00
Capital Fund		76,849,150	83,395,706.00
Net Assets		86,539,536.00	85,665,964.00

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



.....
Chairman of Council/Board

Date



.....
Principal

Date



.....
Finance Officer

ICPAK No

Date

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

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2023(previous year)	0.00	(1,635,577.00)	81,695,706.00	80,060,129.00
Revaluation gain	0.00	-	-	0.00
Surplus/(deficit) for the year	-	3,905,834.00	-	3,905,834.00
Capital grants received during the year	-	-	1,700,000.00	1,700,000.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0.00	0.00	-
At June 30, 2024	0.00	2,270,257.00	83,395,706.00	85,665,963.00
At July 1, 2024(current year)	0.00	2,270,257.00	83,395,706.00	85,665,963.00
Revaluation gain	0.00	-	-	0.00
Surplus/(deficit) for the year	-	7,420,129.00	-	7,420,129.00
Capital grants received during the year	-	-	0.00	0.00
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	0.00	(5,502,962.00)	(5,502,962.00)
At June 30, 2025	0.00	9,690,386.00	77,892,744.00	87,583,130.00

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

Description		FY2024-2025	FY2023-2024
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		4,447,576.00	5,787,328.00
Grants from donors and development partners		0.00	
Transfers from other levels of government		0.00	
Public contributions and donations		0.00	
Rendering of services- fees from students		4,553,322.00	4,560,597.00
Sale of goods		540.00	
Rental revenue from facilities and equipment		0.00	
Finance income		0.00	
Miscellaneous income		0.00	
Total Receipts		9,001,438.00	10,347,925.00
Payments			
Use of goods and services		6,606,987.00	4,955,432.00
Employee costs		2,064,335.00	1,280,500.00
Board /Council Expenses		348,000.00	794,786.00
Repairs and maintenance		532,400.00	279,838.00
Contracted services		0.00	0.00
Grants and subsidies		0.00	0.00
Total Payments		9,551,722.00	7,310,556.00
Net Cash Flows from operating activities	47	(550,284.00)	3,037,369.00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(0.00)	(1,700,000.00)
Proceeds from sale of property, plant and equipment		0.00	
Net cash flows used in investing activities		(0.00)	
Cash flows from financing activities			
Proceeds From Borrowing		0.00	
Repayment Of Borrowings		(0.00)	
Net cash flows used in financing activities		(0.00)	
Net Increase/(Decrease) in Cash and Cash equivalents		0.00	1,337,369.00
Cash and Cash equivalents at 1 JULY2024	26	1,357,677.00	20,308.00
Cash and Cash equivalents at 30 JUNE2025	26	807,393.00	1,357,677.00

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*	-	0.00	0.00	0.00	0.00	0.00
Receipts						
Transfers from other National Government entities	3,500,000.00	1,357,677.0	4,857,677.00	4,447,576.00	410,101.00	92%
Grants from donors and development partners	0.00	0.00	0.00	0.00	0.00	0.00
Transfers from other levels of government						
Public contributions and donations	0.00	0.00	0.00	0.00	0.00	0.00
Rendering of services- fees from students	22,714,250.00	0.00	22,714,250.00	4,553,322.00	18,160,928.00	20%
Sale of goods	0.00	0.00	0.00	540.00	540.00	100%
Rental revenue from facilities and equipment	0.00	0.00	0.00	0.00	0.00	0.00
Finance income	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00
Total Receipts	26,214,250.00	1,357,677.0	27,571,927.00	9,001,438.00	18,570,489.00	33%
Payments						
Use of goods and services	13,492,000.00	1,357,677.0	14,849,677.00	6,606,987.00	9,557,762.00	36%
Employee costs	2,500,000.00	0.00	2,500,000.00	2,064,335.00	435,665.00	83%
Board /Council Expenses	1,600,000.00	0.00	1,600,000.00	348,000.00	1,383,504.00	14%
Repairs and maintenance	2,200,000.00	0.00	2,200,000.00	532,400.00	1,667,600.00	24%
Contracted services	0.00	0.00	0.00	0.00	0.00	0.00%
Grants and subsidies	0.00	0.00	0.00	0.00	0.00	0.00%
Total Expenditure Payments	18,592,000.00	1,357,677.0	19,949,677.00	9,551,722.00	13,044,531.00	41%

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Capital Expenditure Payments	6000,000.00	0.00	6000,000.00	0.00	6000,000.00	0.00%
Surplus	1,622,250.00	0.00	1,622,250.00	(550,284.00)	973,534.00	69%

Budget notes

The actual revenue for the year was significantly below the final budget, showing a 72% underperformance, which resulted in a shortfall of KSh18,570,489.00 .00. This variance was largely due to lower student enrolment and unsettled fees. As a result, the revenue shortfall negatively impacted the absorption rate of both recurrent and capital expenditures, limiting the full implementation of the institutions annual budget.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(550,284.00)
1	Reason for differences	1,357,677.0
2	Reason for differences	0.00
3	Reason for differences	0.00
4	Reason for differences	0.00
	Closing Cash and Cash Equivalent as per the statement of Cash flows	807,393.00

19. Notes to the Financial Statements

1. General Information

Heroes Technical and Vocational College (Heroes TVC) was established under the authority of the TVETA Act 2013. The college is wholly owned by the Government of Kenya and is domiciled within the country. Its principal activity is the provision of quality technical and vocational education and training (TVET) to learners.

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 *Heroes TVC*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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3. Adoption of New and Revised Standards

(When an IPSAS becomes effective on 1st January 2014, it is applicable in Kenya from 1st July 2025)

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. The standard has no impact on the college's financial statements.
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. The standard has no impact on the college's financial statements.
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. The management is in the process of accessing the impact of the standard on financial statement of the institution
IPSAS 46:	<i>Applicable 1st January 2025</i>

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Measurement	<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>The standard has no impact on the college's financial statements</p>
IPSAS 47: Revenue	<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>The management is in the process of accessing the impact of the standard on financial statement of the institution.</p>
IPSAS 48: Transfer Expenses	<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>The management is in the process of accessing the impact of the standard on financial statement of the institution.</p>
IPSAS 49: Retirement Benefit Plans	<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>The management is in the process of accessing the impact of the standard on financial statement of the institution.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<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.

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	<p>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.</p> <p>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p>The standard has no impact on the college's financial statements</p>
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iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

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 1st quarter. 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 schedule 10 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 a one-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (entity to amend appropriately). Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

Depreciation of assets is charged from the date of acquisition over their estimated useful life, in accordance with the guidelines issued by the National Assets and Liabilities Management framework 2020. The prescribed depreciation rates and methods are consistently applied to ensure accurate valuation and accountability of the Hospital's asset base

Buildings.....	2%
Motor vehicles.....	12.5%
Furniture and fittings.....	12.5%
ICT Equipment's.....	30%
Plant & Medical Equipment's.....	12.5%

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

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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 Heroes TVC creates and maintains reserves in terms of specific requirements.

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, 20XX.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

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

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6. Transfers from other National Government entities

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	816,000.00	2,622,500
Operational Grant	3,000,000.00	164,828
Development grants	0.00	3,000,000
Other Grants(631,576.00	0.00
Total unconditional Grants	4,447,576.00	5,787,328
Conditional Grants amortised/ recognised in revenue		
Library Grant	0.00	0.00
Hostels Grant	0.00	0.00
Administration Block Grant	0.00	0.00
Laboratory Grant	0.00	0.00
Learning Facilities Grant	0.00	0.00
Other Organizational Grants	0.00	0.00
Total Government Grants and Subsidies	4,447,576.00	5,787,328.00

(a)Transfers from other Government entities (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	4,447,576.00	0.00	0.00	4,447,576.00	5,787,328
Ministry Education	0.00	0.00	0.00	0.00	0.00
Total	4,447,576.00	0.00	0.00	4,447,576.00	5,787,328

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

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

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

The details of the reconciliation have been included under appendix xxx

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7. Grants from Donors and Development Partners

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
JICA- Research Grant	0.00	0.00
World Bank Grants	0.00	0.00
In-Kind Donations	0.00	0.00
Donations transferred to revenue-conditions met	0.00	0.00
Other Grants (specify)	0.00	0.00
Total Grants from Development Partners	0.00	0.00

(a) Reconciliations of grants from donors and development partners

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Balance unspent at beginning of year	0.00	0.00
Current year receipts	0.00	0.00
Conditions Met - Transferred to Revenue	0.00	0.00
Conditions Yet To Be Met - Remain Liabilities	0.00	0.00

8. Transfers from Other Levels of Government

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Transfer from County XX	0.00	0.00
Transfer from XX University	0.00	0.00
Transfer from XX Institute	0.00	0.00
Total Transfers	0.00	0.00

9. Public Contributions and Donations

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Public Donations	0.00	0.00
Donations from Local Leadership	0.00	0.00
Donations from Religious Institutions	0.00	0.00
Donations from Alumni	0.00	0.00
Other Donations	0.00	0.00
Total Donations and Contributions	0.00	0.00

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10. Rendering of Services

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Tuition Fees	7,183,696.90	4,592,911.00
Activity Fee	870,717.50	36,482.00
Local Travel& Transport	779,826.10	109,926.00
Electricity, Water & Conservancy	786,597.00	311,056.00
Repairs Maintenance & Installation	636,499.50	91,685.00
Personal Emoluments	2,566,396.00	549,629.00
Registration Fees	770,500.00	274,575.00
Facilities And Materials	0.00	0.00
Attachment/Medical Insurance	397,512.50	0.00
Arrears	1,631,447.54	0.00
Examination Fees	17,500.00	365,779.00
Administration Fees	41,000.00	236,547.00
Development grants	0.00	36,482.00
Students Council	119,700.00	36,587.00
Contingencies	9,809.40	0.00
Library Fees	11,171.40	91,985.00
Student ID	70,000.00	36,482.00
Development fees	57,080.00	365,779.00
Short courses	7500.00	0.00
Caution fees	0.00	91,685.00
Total Revenue from The Rendering of Services	15,956,953.84	7,227,590.00

The revenue from the **Rendering of Services** represents income generated by the institution from various student-related services and operational activities during FY2024–2025. The major portion comes from **tuition fees**, which increased significantly from the previous year, reflecting growth in enrolment or revised fee structures. Additional revenue streams include **activity fees, examination fees, registration fees, student ID fees, library charges, and administration fees**, which support academic and extracurricular services offered to students.

The institution also earned revenue from **local travel and transport, electricity and water recovery, repairs and maintenance charges, and personal emoluments**, which help cover operational and service-delivery costs. New revenue sources such as **attachment/medical insurance and arrears recovered** contributed to the overall increase. Compared to FY2023–2024, total revenue more than doubled, indicating expanded service provision, improved collections, and the introduction of previously uncollected or new fee categories

11. Sale of Goods

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Sale of Books	0.00	0.00
Sale of Publications	0.00	0.00
Sale of Farm Produce	0.00	0.00
Cafeteria sales	0.00	0.00

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Other sales (scrap metals)	540	0.00
Total Revenue from Sale of Goods	540	0.00

12. Rental revenue from facilities and equipment

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Hire of Facilities and Equipment	0.00	0.00
Contingent Rentals	0.00	0.00
Operating Lease Revenue	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Total	0.00	0.00

13. Finance Income

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Cash investments and fixed deposits	0.00	0.00
Interest income from treasury bills	0.00	0.00
Interest income from treasury bonds	0.00	0.00
Interest from outstanding debtors	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Total finance income	0.00	0.00

14. Miscellaneous Income

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Insurance recoveries	0.00	0.00
Consultancy fees	0.00	0.00
Income from sale of tender	0.00	0.00
Services concession income	0.00	0.00
Reimbursements and refunds	0.00	0.00
Graduation fees	0.00	0.00
Bad debts recovered	0.00	0.00
Income written back	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Total other income	0.00	0.00

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15. Use of Goods and Services

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Tuition Expenses	498,730.00	1,280,580.00
Activity Expenses	31,500.00	0.00
Guidance and Counselling Expenses	10,000.00	0.00
EWC Expenses	370,137.00	480,569.00
L.T&T Expenses	310,260.00	1,020,550.00
TVETA Expenses	113,000.00	0.00
Registration Expenses	33,750.00	0.00
Student Welfare Expenses	45,000.00	0.00
Internet Expenses	40,800.00	0.00
Workshop/Practical's Expenses	165,361.00	0.00
Sanitation and Cleaning Expenses	27,181.60	0.00
Office Meals and Refreshments Expenses	210,474.00	0.00
General Administration Expenses	1,202,808.00	350,880.00
Games and Sports Expenses	24,000.00	0.00
Subscriptions	800.00	0.00
Examination Expenses	467,280.00	1,134,640.00
Airtime Expenses	39,500.00	0.00
Bank Charges	30,160.50	11,955.00
Stationaries expenses	110,625.00	287,530.00
Seminars, Research and Training Expenses	77,298.00	0.00
Daily Travel and Subsistence Allowance	70,000.00	0.00
Research and Development KATTI	0.00	388,728.00
Total use of goods and services	3,878,665.00	4,955,432.00

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16. Employee Costs

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Salaries and wages	1,881,665.00	1,280,500.00
Employee related costs - contributions to pensions and medical aids	182,670.00	0.00
Travel, motor car, accommodation, subsistence and other allowances	0,00	0.00
Housing benefits and allowances	0.00	0.00
Overtime payments	0.00	0.00
Social contributions	0.00	0.00
Employee Costs	2,064,335	1,280,500.00

17. Board/Council Expenses

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Chairman's Honoraria	60,000.00	0.00
Directors Emoluments	0.00	794,786.00
Sitting Allowances	288,000.00	0.00
Other Board/Council Expenses	0.00	0.00
Total	348,000.00	794,786.00

18. Depreciation and Amortization expense

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Property, plant and equipment	1,350,118.00	2,001,030
Intangible assets	0.00	0.00
Investment property carried at cost	0.00	0.00
Total depreciation and amortization	1,350,118.00	2,001,030

19. Repairs and Maintenance

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Property	0.00	
General repair	532,400.00	150,000.00
Equipment and machinery	0.00	0.00
Vehicles	0.00	0.00
Furniture and fittings	0.00	0.00
Computers and accessories	0.00	0.00
Total Repairs and Maintenance	532,400.00	150,000.00

20. Contracted Services

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Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Actuarial valuations	0.00	0.00
Investment valuations	0.00	0.00
Property valuations	0.00	0.00
Other (specify)	0.00	0.00
Total contracted services	0.00	0.00

21. Grants and Subsidies

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Community Development	0.00	0.00
Education Initiatives and Programs	0.00	0.00
Social Development	0.00	0.00
Social benefits expenses	0.00	0.00
Community Trust	0.00	0.00
Sporting Bodies	0.00	0.00
Others (specify)	0.00	0.00
Total Grants and Subsidies	0.00	0.00

22. Finance Costs

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Borrowings (Amortized Cost)*	0.00	0.00
Finance Leases (Amortized Cost)	0.00	0.00
Unwinding of Discount from lease liabilities	0.00	0.00
Interest on Bank Overdrafts	0.00	0.00
Interest on Loans from Commercial Banks	0.00	0.00
Others (specify)	0.00	0.00
Total Finance Costs	0.00	0.00

23. Gain On Sale of Assets

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Property, Plant and Equipment	0.00	0.00
Intangible Assets	0.00	0.00
Other Assets not capitalised	0.00	0.00
Total Gain On Sale of Assets	0.00	0.00

24. Gain/(loss) on Fair Value Investments

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Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Fair value on equity investments	0.00	0.00
Fair value arising from investment property	0.00	0.00
Fair value arising from biological assets	0.00	0.00
Fair value- other financial assets (specify)	0.00	0.00
Total Gain	0.00	0.00

25. Impairment Loss

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Property, Plant and Equipment	0.00	0.00
Intangible Assets	0.00	0.00
Total Impairment Loss	0.00	0.00

26. Cash and Cash Equivalent

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Current Account		
Equity Bank-0130279598631	745,848.00	58,252.00
Equity Bank-0130285318961	61,545.00	1,299,425.00
Staff Car Loan/ Mortgage	0.00	0.00
Others (Specify)	0.00	0.00
Total Cash and Cash Equivalent	807,393	1,357,677

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

Financial Institution	Account number	FY2024-2025	FY2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		745,848.00	58,252.00
Equity Bank, etc.		61,545.00	1,299,425.00
Sub- Total		807,393.00	1,357,677.00
b) On - Call Deposits			
Kenya Commercial Bank		0.00	0.00
Equity Bank – etc.		0.00	0.00
Sub- Total		0.00	0.00
c) Fixed Deposits Account			
Kenya Commercial Bank		0.00	0.00
Bank B		0.00	0.00
Sub- Total		0.00	0.00
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		0.00	0.00
Bank B		0.00	0.00
Sub- Total		0.00	0.00
e) Others(<i>Specify</i>)		0.00	0.00
Cash in Transit		0.00	0.00
Cash in Hand		0.00	0.00
Mobile Money account		0.00	0.00
Sub- Total		0.00	0.00
Grand Total		807,393.00	1,357,677.00

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27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	11,441,500.00	7,267,647.00
Rent Debtors	0.00	0.00
Consultancy Debtors	0.00	0.00
Other Exchange Debtors	0.00	0.00
Less: Impairment Allowance	0.00	0.00
Total Current Receivables	11,441,500.00	7,267,647.00

27 (b) Long- term Receivables from Exchange transactions

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	0.00	0.00
Advance Payments	0.00	0.00
Public Organizations	0.00	0.00
Less: Impairment Allowance	0.00	0.00
Total	0.00	0.00
Current Portion Transferred To Current Receivables	0.00	0.00
Total Non-Current Receivables	0.00	0.00
Total Receivables	0.00	0.00

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
	FY2024-2025	% of total	FY2023-2024	% of total
Less than 1 year	8,739,999.	70%	3,038,916.00.00	41.8%
Between 1- 2 years	3,745,640.00.00	30%	4,228,731.00.00	58.2%
Between 2-3 years	0.00.00	%		%
Over 3 years	0.00.00	%		%
Total (a+b)	12,485,639.0	100%	7,267,647.00.00	100%

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

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
At the beginning of the year	0.00	0.00
Provisions during the year	0.00	0.00
Recovered during the year	0.00	0.00
Write offs during the year	0.00	0.00
At the end of the year	0.00	0.00

28. Receivables from Non-Exchange transactions

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Current Receivables		
Capitation Grants*	0.00	0.00
Transfers from Other Govt. entities	0.00	0.00
Undisbursed Donor Funds	0.00	0.00
Other Debtors (Non-Exchange Transactions)	0.00	0.00
Less: Impairment Allowance	0.00	0.00
Total Current Receivables	0.00	0.00

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

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0.00	0%	0.00	0%
Between 1- 2 years	0.00	0%	0.00	0%
Between 2-3 years	0.00	0%	0.00	0%
Over 3 years	0.00	0%	0.00	0%
Total	0.00	0%	0.00	0%

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

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
At the beginning of the year	0.00	0.00
Additional provisions during the year	0.00	0.00
Recovered during the year	0.00	0.00
Written off during the year	0.00	0.00
At the end of the year	0.00	0.00

29. Inventories

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Consumable stores	376,510.00	0.00
Maintenance stores	0.00	0.00
Health Unit stores	0.00	0.00
Electrical stores	0.00	0.00
Cleaning Materials stores	0.00	0.00
Catering stores	0.00	0.00
Less: Impairment allowance	0.00	0.00
Total Inventories at lower of Cost and Net Realizable Value	376,510.00	0.00

(Provide brief explanation on inventories)

Detailed disclosure on inventories

	FY2024-2025	FY2023-2024
Opening balance	0.00	0.00
Additional Inventory in the year	376,510.00	0.00
Inventory expensed in the year	0.00	0.00
Write-downs in the year	0.00	0.00
Others specify	0.00	0.00
Closing balance	376,510.00	0.00

30. Investments in financial assets

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	0.00	0.00
CBK	0.00	0.00
Sub- Total	0.00	0.00
b) Investment with Financial Institutions/ Banks	0.00	0.00
Bank X	0.00	0.00
Bank Y	0.00	0.00
Sub- Total	0.00	0.00
c) Equity Investments (Specify)	0.00	0.00
Equity/ Shares in Company Xxx	0.00	0.00
Sub- Total	0.00	0.00
Grand Total	0.00	0.00

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	Insert Current FY	Insert Comparative FY
	%	%	%	Kshs	Kshs	Kshs
Entity A	0.00	0.00	0.00	0.00	0.00	0.00
Entity B	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00

31. Prepayments

Description	<i>FY2024-2025</i>	<i>FY2023-2024</i>
	Kshs.	Kshs.
Insurance	0.00	0.00
Rent	0.00	0.00
Water	0.00	0.00
Internet	0.00	0.00
Others (<i>Specify</i>)	0.00	0.00
Total	0.00	0.00

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32. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2%	12.5%	12.5%	30%	12.5%	0%		
At 1 July 2023 (previous year)	25,000,000	51,903,131	0.00	387,789	166,170.00	2,740,342	0.0	0.0	80,197,432
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	-	-	0.00	-	0.00	0.00	0.00
Transfers/Adjustments	0.00	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00
Revaluation	0.00	0.00	0.00	0.00	0.00	0.00			0.00
At 30th June 2024 (previous FY)	25,000,000	50,865,068	0.00	339,315	116,319.00	2,397,800	0.0	0.0	78,718,502
Additions	0.00	0.00	0.00	-	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	-	-	-	0.00	-	0.00	0.00	0.00
Transfer/Adjustments	0.00	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00
Revaluation	0.00	0.00	0.00	0.00	0.00	0.00			0.00
At 30th June 2025 (current year)	25,000,000	50,865,068	0.00	339,315	116,319.00	2,397,800	0.0	0.0	78,718,502
Depreciation And Impairment									
At 1 Jun 2023(previous year)	-	(3,272,208)	0.00	(103,872)	(138778)	-	0.0	0.0	(3514858)
Depreciation	-	(1,297,578)	0.00	(48,474.00)	(55527)	(599,450)	0.00	0.00	2001030
Disposals	-	-	-	-	0.00	-	0.00	0.00	0.00
Impairment	-	-	-	-	0.00	-	0.00	-	0.00
At 30 Jun 2024 (current year)		(4,569,786)	0.00	(152346)	(194306)	(599,450)	(0.00)	0.00	(5,515,887)
Depreciation	-	(1,017,301)	(0.00)	(42,414)	(34,896)	(299,725)	(0.00)		(1,394,336)
Disposals	-	-	-	-	(0.00)	-	(0.00)	0.00	(0.00)
Impairment	-	(0.00)	-	-	(0.00)	-	(0.00)	-	(0.00)
Transfer/Adjustment	-	(0.00)	(0.00)	0.00	(0.00)	-	(0.00)	(0.00)	(0.00)
At 30th Jun 2025 (current year)	-	5,581,897	0.00	157,261	227,673	899,175	0.00	0.00	6,866,006

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Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Net Book Values									
At 30th Jun 2024 <i>(previous year)</i>	25,000,000	50,865,068	0.00	339,315	116,319	2,397,800	0.00	0.00	78,718,502
At 30th Jun 2025 <i>(current year)</i>	25,000,000	49,847,767	0.00	296,900	81,423	2,098,075	0.00	0.00	77,324,166

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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 revalued by xxx professional valuers on xxx. These amounts were adopted in the financial statements on xxx.

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	25,000,000.00	0.00	25,000,000.00
Buildings	51,903,131.00	2,055,364.00	49,847,767.00
Plant And Machinery	2,740,342.00	642,267.00	2,098,075.00
Motor Vehicles including Motorcycles	0.00	0.00	0.00
Computers and Related Equipment	166,170.00	84,747.00	81,423.00
Office Equipment, Furniture, And Fittings	387,789.00	90,888.00	296,901.00
Total	80,197,432.00	2,873,266	77,324,166

33. Intangible Assets

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Cost		
At beginning of the year	0.00	0.00
Additions	0.00	0.00
At end of the year	0.00	0.00
Additions–internal development	0.00	0.00
At end of the year	0.00	0.00
Amortization and impairment	0.00	0.00
At beginning of the year	0.00	0.00
Amortization	0.00	0.00
At end of the year	0.00	0.00
Impairment loss	0.00	0.00
At end of the year	0.00	0.00
NBV	0.00	0.00

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34. Investment Property

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
At beginning of the year	0.00	0.00
Additions	0.00	0.00
Disposal during the year	0.00	0.00
Depreciation	0.00	0.00
Impairment	0.00	0.00
Gain or loss on fair value- if fair value is elected	0.00	0.00
At end of the year	0.00	0.00

35. Biological Assets

	FY2024-2025	FY2023-2024
	Kshs	Kshs
Trees in a plantation forest	0.00	0.00
Animals: Dairy Cattle, Pigs, Sheep	0.00	0.00
Others (Specify)	0.00	0.00
Total	0.00	0.00

(Provide the necessary disclosures)

36. Trade and Other Payables

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
Trade payables	3,189,637.00		0.00	
Fees paid in advance	0.00		0.00	
Salary deductions	0.00		0.00	
Third-Party Payments	0.00		0.00	
Other Payables	0.00		0.00	
Total Trade and Other Payables	3,189,637.00		1,413,250.00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	3,189,637.00	100%	1,413,250.00	100%
1-2 years	0.00	%	0.00	0.00
2-3 years	0.00	%	0.00	0.00
Over 3 years	0.00	%	0.00	0.00
Total (to tie to totals above)	3,189,637.00	%	1,413,250.00	100%

37. Refundable Deposits from Customers/Students

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Description	FY2024-205		FY2023-2024	
	Kshs		Kshs	
Consumer deposits	0.00		0.00	
Caution money	0.00		0.00	
Other refundable deposits	0.00		0.00	
Total Deposits	0.00		0.00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0.00	%	0.00	%
1-2 years	0.00	%	0.00	%
2-3 years	0.00	%	0.00	%
Over 3 years	0.00	%	0.00	%
Total (to tie to totals deposits above)	0.00	%	0.00	%

(Provide brief explanation)

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	0.00	0.00	0.00	0.00	0.00
Additional Provisions	0.00	0.00	0.00	0.00	0.00
Provision Utilised	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Change Due To Discount And Time Value For Money	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Transfers From Non -Current Provisions	0.00	0.00	0.00	0.00	0.00
Total Provisions	0.00	0.00	0.00	0.00	0.00

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39. Finance Lease Obligation

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
At the start of the year	0.00	0.00
Discount interest on Lease Liability	0.00	0.00
Paid during the year	0.00	0.00
At end of the year	0.00	0.00

Maturity Analysis

Period	Amount
	Kshs
Year 1	0.00
Year 2	0.00
Year 3	0.00
Year 4	0.00
Year 5 and Onwards	0.00
Less: Unearned Interest	0.00
Total	0.00

Analysed as:

Description	Amount
	Kshs
Current	0.00
Non- Current	0.00
Total	0.00

40. Deferred Income

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
National Government	0.00	0.00
International Funding Bodies	0.00	0.00
Public Contributions and Donations	0.00	0.00
Total Deferred Income	0.00	0.00

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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	0.00	0.00	0.00	0.00
Additions during the year	0.00	0.00	0.00	0.00
Transfers to capital fund	0.00	0.00	0.00	0.00
Transfers to income statement	0.00	0.00	0.00	0.00
Other transfers	0.00	0.00	0.00	0.00
Balance carried forward	0.00	0.00	0.00	0.00

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

Analysed as:

Description	Amount
	Kshs
Current	0.00
Non- Current	0.00
Total	0.00

41. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	Insert Current FY	Insert Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0.00	0.00	0.00	0.00	0.00
Non-Current Benefit Obligation	0.00	0.00	0.00	0.00	0.00
Total Employee Benefits Obligation	0.00	0.00	0.00	0.00	0.00

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	FY2024-2025	FY2023-2024
	Kshs	Kshs
Discount Rates	0.00	0.00
Future Salary Increases	0.00	0.00
Future Pension Increases	0.00	0.00
Mortality (Pre- Retirement)	0.00	0.00
Mortality (Post- Retirement)	0.00	0.00
Withdrawals	0.00	0.00
Ill Health	0.00	0.00
Retirement	0.00	0.00

Recognition of Retirement Benefit Asset/ Liability

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

Description	FY20224-2025	FY2023-2024
	Kshs	Kshs
The return on defined plan assets	0.00	0.00
Actuarial gains/ losses arising from changes in demographic assumptions	0.00	0.00
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	0.00	0.00
Actuarial gains and losses arising from experience adjustments	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Adjustments for restrictions on the defined benefit asset	0.00	0.00
Remeasurement of the net defined benefit liability (asset)	0.00	0.00

- b) Amounts recognised in the Statement of Financial Position

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Present value of defined benefit obligations(a)	0.00	0.00
Fair value of plan assets(b)	0.00	0.00
Funded status(=a-b)	0.00	0.00
Restrictions on asset recognised	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Net asset or liability arising from defined benefit obligation	0.00	0.00

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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 operating of tire 1 and tire 2 per employee per month and equal contributions matched by the employer.

42. Payments received in advance.

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
Fees received in advance	0.00		0.00	
Others (Specify)	0.00		0.00	
Total	0.00		0.00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0.00	%	0.00	%
1-2 years	0.00	%	0.00	%
2-3 years	0.00	%	0.00	%
Over 3 years	0.00	%	0.00	%
Total	0.00	%	0.00	%

43. Borrowings

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Balance at beginning of the year	0.00	0.00
External borrowings during the year	0.00	0.00
Domestic borrowings during the year	0.00	0.00
Repayments of external borrowings during the year	0.00	0.00
Repayments of domestic borrowings during the year	0.00	0.00
Balance at end of the year	0.00	0.00

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43 a) Analysis of External and Domestic Borrowings

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	0.00	0.00
Sterling pound denominated loan from 'yyy organization'	0.00	0.00
Euro denominated loan from zzz organization'	0.00	0.00
Domestic borrowings	0.00	0.00
Kenya shilling loan	0.00	0.00
Total balance at end of the year	0.00	0.00

43 b) Breakdown of Long and Short-Term Borrowings

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0.00	0.00
Long Term Borrowings	0.00	0.00
Total	0.00	0.00

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	0.00	0.00	0.00	0.00	0.00
Additional Provisions	0.00	0.00	0.00	0.00	0.00
Provision utilised	0.00	0.00	0.00	0.00	0.00
Change due to discount and time value for money	0.00	0.00	0.00	0.00	0.00
Less: Current portion	0.00	0.00	0.00	0.00	0.00
Total deferred income	0.00	0.00	0.00	0.00	0.00

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45. Service Concession Arrangements

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	0.00	0.00
Accumulated depreciation to date	0.00	0.00
Net carrying amount	0.00	0.00
Service concession liability at beginning of the year	0.00	0.00
Service concession revenue recognized	0.00	0.00
Service concession liability at end of the year	0.00	0.00

46. Social Benefit Liabilities

Description	FY2024-2025	FY203-2024
	Kshs	Kshs
Health social benefit scheme	0.00	0.00
Unemployment social benefit scheme	0.00	0.00
Orphaned and vulnerable benefit scheme	0.00	0.00
People Living with disabilities benefit scheme	0.00	0.00
Elderly social benefit scheme	0.00	0.00
Bursary social benefits	0.00	0.00
Total	0.00	0.00
	0.00	0.00
Current social benefits	0.00	0.00
Non- current social benefits	0.00	0.00
Total (tie to totals above)	0.00	0.00

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47. Cash generated from operations.

Surplus for the year before tax	FY204-2025	FY2023-2024
	Kshs	Kshs
Adjusted for:	7,420,129.00	0.00
Depreciation	1,350,118.00	0.00
Non-Cash grants received	0.00	0.00
Contributed assets	0.00	0.00
Impairment	0.00	0.00
Gains and Losses on Disposal of Assets	0.00	0.00
Contribution to provisions	0.00	0.00
Contribution to impairment allowance	0.00	0.00
Finance Income	0.00	0.00
Finance Cost	0.00	0.00
Working Capital Adjustments	8,770,247.00	0.00
Increase in Inventory	(376,510.00)	0.00
Increase in Receivables	(11,441,500.0)	0.00
Increase in Deferred Income	0.00	0.00
Increase in Payables	3,189,637.00	0.00
Increase in Payments received in advance	0.00	0.00
Net Cash Flow from Operating Activities	(550,829.00)	0.00

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.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024(previous year)				
Receivables from exchange transactions	7,267,647.0	7,267,647.00	0.00	0.00
Receivables from non-exchange transactions	0.00	0.00	0.00	0.00
Bank balances	1,357,677.	1,357,677.00	0.00	0.00
Total	8,625,324.0	8,625,324.00	0.00	0.00
At 30 June 2025 (current year)				
Receivables from exchange transactions	12,485,639	12,485,639.00	0.00	0.00
Receivables from non-exchange transactions	0.00	0.00	0.00	0.00
Bank balances	807,393.0	807,393.00	0.00	0.00
Total	13,293,032.00	13,293,032.00	0.00	0.00

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Financial risk management (continued)

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

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024(previous year)				
Trade Payables	1,413,250.00	0.00	0.00	1,413,250.00
Current Portion Of Borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Deferred Income	0.00	0.00	0.00	0.00
Employee Benefit Obligation	0.00	0.00	0.00	0.00
Total	1,413,250.00	0.00	0.00	1,413,250.00
At 30 June 2025 (current year)				
Trade Payables	3,189,637.00	-	-	-
Current Portion Of Borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Deferred Income	0.00	0.00	0.00	0.00
Employee Benefit Obligation	0.00	0.00	0.00	0.00
Total	3,189,637.00	0.00	0.00	3,189,637.00

(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)	0.00	0.00	0.00
Liabilities	0.00	0.00	0.00
Trade and Other Payables	0.00	0.00	0.00
Borrowings	0.00	0.00	0.00
	0.00	0.00	0.00
Net Foreign Currency Asset/(Liability)	0.00	0.00	0.00

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

Foreign currency sensitivity analysis

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

u	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2024			
Euro	10%	0.00	0.00
Usd	10%	0.00	0.00
2025		0.00	0.00
Euro	10%	0.00	0.00
Usd	10%	0.00	0.00

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	FY2024-2025	FY2023-2024
	Kshs	Kshs
Revaluation Reserve	0.00	0.00
Retained Earnings	0.00	0.00
Capital Reserve	0.00	0.00
Total Funds	0.00	0.00
Total Borrowings	0.00	0.00
Less: Cash and Bank Balances	0.00	0.00
Net Debt/(Excess Cash and Cash Equivalents)	0.00	0.00
Gearing	0.00%	0.00%

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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 Heroes TVC holding 100% of the Heroes tvc 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;
- v) XXX

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

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0.00	0.00
Rent income from govt. agencies	0.00	0.00
Water sales to govt. agencies	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Total	0.00	0.00
B) Purchases from related parties	0.00	0.00
Purchases of electricity from kplc	0.00	0.00
Purchase of water from govt service providers	0.00	0.00
Rent expenses paid to govt agencies	0.00	0.00
Training and conference fees paid to govt. agencies	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Total	0.00	0.00
b) Grants /Transfers from the Government	0.00	0.00
Grants from National Govt	0.00	0.00
Grants from County Government	0.00	0.00
Donations in Kind	0.00	0.00
Total	0.00	0.00
c) Expenses incurred on behalf of related parties	0.00	0.00
Payments of Salaries and Wages for xx Employees	0.00	0.00
Payments for Goods and Services for XX	0.00	0.00
Total	0.00	0.00

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Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
d) Key Management Compensation		
Directors' emoluments	0.00	0.00
Compensation to Key Management	0.00	0.00
Total	0.00	0.00

50. Segment Information

Contingent Assets and Contingent Liabilities

Contingent Assets

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0.00	0.00
Assets arising from determination of Court Cases	0.00	0.00
Reimbursable Indemnities and Guarantees	0.00	0.00
Others (<i>Specify</i>)	0.00	0.00
Total	0.00	0.00

Contingent Liabilities

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Contingent Liabilities	0.00	0.00
Court Case Xxx against (<i>The Entity</i>)	0.00	0.00
Bank guarantees in favour of subsidiary	0.00	0.00
Contingent liabilities arising from Contracts including PPPs	0.00	0.00
Others (<i>Specify</i>)	0.00	0.00
Total	0.00	0.00

51. Capital Commitments

Capital Commitments	FY2024-2025	FY2023-2024
	Kshs	Kshs
Authorised for	0.00	0.00
Authorised and Contracted for	0.00	0.00
Total	0.00	0.00

52. Events After The Reporting Period

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

53. Ultimate And Holding Entity

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

54. 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: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>

Guidance Notes:

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

.....

Name
Accounting Officer
(Enter title of Head of entity)
Date



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Appendix II: Projects Implemented by (*The Entity*)

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	N/A	N/A	N/A	N/A	N/A	N/A
2						

Status of Projects completion

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

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	N/A	0.00	N/A	0.00	0.00	0.00	N/A
2							
3							



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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity.....N/A.....

Name of beneficiary entity.....N/A.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:
 NameN/A..... Sign Date

Head of Accounts Department - Beneficiary Entity:
 NameN/A..... Sign Date.....

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A	N/A	N/A	N/A	0.00	0.00	0.00	0.00	N/A	N/A

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
N/A	N/A	N/A	N/A	N/A	0.00	N/A