

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



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DATE: 06 AUG 2025	DAY: WED
TABLED BY: HON. SILVANUS OUDRO, MP MAJORITY PARTY WHIP	
PRESENTED AT TABLE: VIVIAN WAMBUI	

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REPORT

OF

THE AUDITOR-GENERAL

ON

**ELDAMA RAVINE TECHNICAL AND
VOCATIONAL COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2023**



ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2023**

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

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity
ERTVC	Eldama Ravine Technical and Vocational College
CDACC	Curriculum Development Assessment and Certification Council
CDF	Constituency Development Fund
ICT	Information Communication Technology
KATTI	Kenya Association of Technical Training Colleges
EACC	Ethics and Anticorruption Commission
PC	Performance Contract
PSC	Public Service Commission
TVET	Technical Vocational Education and Training
TVETA	Technical Vocational Education and Training Authority

2. Key Entity Information and Management

(a) Background information

Eldama Ravine Technical and Vocational College (ERTVC) is a government Technical and Vocational Training College that was established under the TVET Act of 2013 under the Ministry of Education specializing in training of youth in different Technical fields. The College was officially opened on the 19th of May 2018 in Baringo County, Eldama Ravine Constituency. It is situated approximately 2 kilometres South-East of Eldama Ravine Town along Maji Mazuri-Makutano road. The College's operations are carried out in accordance with the Government policies and procedures as spelt out in official documents and circulars. The college is conscious of the Government's Vision 2030, MTP IV and The Bottom Up Economic Transformation Agenda; and in carrying out the day-to-day duties, it intends to put efforts towards contributing effectively and efficiently to the achievement of the same

The College admits students from all over Kenya and offers full- time courses in Artisan, Certificate and Diploma levels. The college also admits students to the CBET Level 4, 5 and 6 Courses. The courses are offered in 7 departments namely, Agricultural and Mechanical Engineering, Agriculture Education and Extension, Building & Construction, Electrical and Electronics, ICT, Business Studies as well as Hairdressing & Beauty Therapy. The students are examined by KNEC, CDACC and NITA

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(b) Principal Activities

Eldama Ravine Technical and Vocational College's core mandate is to train and assess students on technical skills and knowledge

Vision

To be a nationally competitive training Centre for imparting technical knowledge and skills for sustainable development

Mission

To create, preserve and transfer knowledge and technology through quality technical training, research and community service

Core Values

Team Work - We work together collaboratively with respect and empathy to ensure we deliver services and products of good quality

Integrity - We Value high standards of ethical behavior at all times. We shall uphold honesty and all moral principals in all the Eldama Ravine Technical and Vocational College Activities and decisions

Discipline - We pursue excellence with commitment and perseverance respecting rules and regulations

Accountability - We shall be Accountable for our Decisions and Actions

Commitment - We are committed to providing quality services

Motto Technology for Sustainable Development

Objectives of ERTVC

The general Objectives of Eldama Ravine Technical and Vocational College outlined below provide a framework for the achievement of the mandate of the College;

- i. To provide competent, dependable, innovative and creative human resource for the Kenya Bottom-up Economic Transformation Agenda, Vision 2030, MTP IV
- ii. To impart applied knowledge to trainees in order to gain entrepreneurship and problem-solving skills in the world of work;

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- iii. To expand and upgrade the College's infrastructure and equipment to meet the current trends;
- iv. To collaborate with other Colleges, institutions and the community in providing extension services and solutions to emerging issues;
- v. To promote trainee welfare and maintain co-curricular facilities for training and wellness

(c) Key Management

The College is managed by a 9-member board of governors (BOG) appointed by the Cabinet Secretary for Education in accordance with the TVET Act of 2013. The day to day running of the College is done by the Principal (Secretary to the BOG) assisted by a management team comprising Deputy Principal Administration, Deputy Principal Academics, Ag. Registrar, Ag. Dean of Students and Assistant Accounts Clerk, Academic and Non-academic heads of department. In total there are 53 members of staff; 36 academic staff and 16 administrative staff.

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Martin Kilel
2.	Deputy Principal Administration	Musa C. Bundotich
3.	Deputy principal Academics	Anither Rotich
4.	Ag. Registrar	Janet Siren
4	Ag. Dean of Students	Eric Mutai
5	Head of Finance	Sheila Toroitich

Key Entity Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Audit and risk committee activities

- The Finance committee of the board should keep on monitoring compliance in financial reporting and other areas of compliance.
- The institution should benchmark with established TVET institutions.
- The committee should request quarterly reports from time to time
- Commended the institution for acquiring an ERP System to ease functions and operations and also reduce errors and inconsistencies
- The institutions should adopt a better salary scale to minimize staff turnover especially non-teaching staff

Finance and operations committee activities

- Improve working conditions for members of staff

Academic committee activities

- Implement the academic policy to ensure procedures, rules and regulations are adhered to by both trainers and trainees
- Weak trainees to be assisted at individual level
- Capacity building of the deans and peer counsellors
- Career guidance -students to be advised on choice of courses before selection/admission to minimize wrong choice of course.
- Building and Construction shed to be complete to ensure content on practical skills is successfully delivered to students in Building and civil Engineering Department
- Timely provision of practical materials for technical courses
- Equipping computer lab with at least 10 more computers/desktops-advising ICT students to purchase laptops on admission

(f) Entity Headquarters

P.O. Box 560-20103,
Along Maji Mazuri-Makutano Road
Eldama Ravine, Baringo County, Kenya

(g) Entity Contacts

Cell: 0713 546595/ 0729226734
Email: *principal@ertvc.ac.ke*
Website: *www.ertvc.ac.ke*

(h) Entity Bankers

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

Equity Bank
Eldama Ravine Branch
P. O Box 75104
Eldama Ravine

Kenya Commercial Bank
P.O. Box 415-20103
Eldama Ravine

Access bank
P.O Box 1010 - 20103
Eldama Ravine

(i) Independent Auditors




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

Key Entity Information and Management (Continued)




(j) Principal Legal Adviser

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




3.The Council/Board of Governors

Member's photo and name	Member's brief
 <p>1. CHAIRMAN, BOARD OF GOVERNORS – Vincent Kiptoon</p>	<p>Master in law(LLM) University of Nairobi Masters of Business Administration (MBA) Laikipia University Certified Public Secretaries Kenya (CPSK) KASNEB Bachelor of Law Moi University.</p>
 <p>2.MEMBER, BOARD OF GOVERNORS - Michael Ngulat BCOM -Accounting Option (UON), CPA, DTec. Ed (KTTC)</p>	<p>Bachelor of Commerce (Accounting Option), - University of Nairobi, Kenya. Diploma in Technical Education Certified Public Accountant Currently, Branch Manager at Agricultural Finance Corporation- Eldama Ravine. Previously, Senior Credit Officer at Agricultural Finance Corporation- Eldama Ravine. CHAIRMAN-FINANCE COMMITTEE</p>
 <p>3.MEMBER, BOARD OF GOVERNORS- Moses Mwangi Thiga PhD Information Systems -Kabarak University, KE M.Sc. Information Systems Management – Liverpool University, UK B.Sc. Computer Science – Egerton University, KE</p>	<p>PhD in Information Systems Master of Science in Information Systems Management Master of Science in Statistics Bachelor of Science in Computer Science Currently, Director- Research and Lecturer Computer Science and Information Technology at Kabarak University Previously, Research Associate at Kenya Education Network (KENET) Nairobi CHAIRMAN,ACADEMIC COMMITTEE</p>

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	<p>4.MEMBER, BOARD OF GOVERNORS - Dr. Catherine M. Sempele PhD. Educational Technology – University of Eldoret, KE Master of Home Science and Technology Education- Moi University, KE Bachelor of Home Science and Technology Education Currently, Lecturer- at University of Eldoret</p>
	<p>5.MEMBER, BOARD OF GOVERNORS Yunus Issa Aljab MA Religious Studies- UoN, KE B. Ed –International University of Africa, Khartoum Sudan</p> <p>Master of Arts Religious Studies- University of Nairobi, KE Bachelor of Education –International University of Africa, Khartoum Sudan Currently, Director at Education for Africa Charity Organization Previously, Principal at Highlands High School, Limuru MEMBER</p>
	<p>6.MEMBER, BOARD OF GOVERNORS Dr. Joyce Jepkorir Kiplimo Bett PhD. In Chemistry- University of KwaZulu Natal, SA</p> <p>Doctor of Philosophy in Chemistry- University of KwaZulu Natal, South Africa Master of Science in Chemistry- Egerton University, KE Bachelor of Education Science- Egerton University, KE Currently, Head of Department, Physical Sciences and Senior Lecturer at Kabianga University Previously, Acting Dean, School of Science and Technology at Kabianga University CHAIRMAN, AUDIT AND RISK MANAGEMENT COMMITTEE</p>

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<p>MSc. Chemistry- Egerton University, KE B. Ed (Science)- Egerton University, KE</p>	
 <p>7.MEMBER, BOARD OF GOVERNORS Peter Cheruiyot Ag. Director-TVET Nakuru-Baringo County CD-TVET Kericho-Bomet County</p>	<p>He is a civil servant currently serving as the Acting Nakuru-Baringo County Director TVET and CD-TVET Kericho-Bomet County. He represents the Principal Secretary, State Department of Vocational & Technical Training in the Board of Governors DIRECTOR -TVET</p>
 <p>8.MEMBER, BOARD OF GOVERNORS Benjamin Odhiambo Bachelor of Law- UON, KE Diploma in Law- Kenya School of Law</p>	<p>Bachelor of Law- University of Nairobi, KE Diploma in Law- Kenya School of Law Current workstation-Kisumu</p>
 <p>Martin Kilel MEd Educational Administration and Management University of Eastern Africa-Baraton</p>	<p>MEd Educational Administration and Management- University of Eastern Africa-Baraton</p> <p>Bachelor of Education Egerton University, KE Principal SECRETARY, BOARD OF GOVERNORS</p>

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4. Key Management Team

Name	Passport	Designation	Qualification	The main area of responsibility
Martin Kilel		Principal	Masters in- pure mathematics	He is the chief executive officer of the college serving as the principal and secretary to the board of governors.
Musa C. Bundotich		Deputy Principal Administration	Masters in Philosophy (Education Management and Policy Studies)	The Deputy Principal Administrative affairs
Anither Rotich		Deputy Principal Academics	MSc. Information Technology Moi University	The Deputy Principal Academic affairs
Janet Siren		Registrar	MSC in agriculture extension	She is registrar of the college and trainer of General Agriculture
Erick Mutai		Dean of Students	DIPLOMA in Agricultural Engineering	He is the Dean of students and trainer of Agricultural Engineering.
Sheila Toroitich		Assistant Account	CPA K finalised	She is the Accountant of the college.

5. Chairman's Statement

I have the pleasure to present an overview of the Eldama Ravine Technical and Vocational College performance for the year ended 30th June 2023. Eldama Ravine Technical and Vocational College endeavors to continually improve on the implementation of its mission and Objectives

Our focus has been to promote a highly and advanced technical trained manpower in the various fields which is part of the College's contribution towards the achievement of Vision 2030 and the Bottom-up Economic Transformation Agenda. This is through provision of quality technical training for self-reliance and economic empowerment for sustainable development.

ERTVC has a human resource of 19 public service trainers and 17 BOG trainers thus it is able meet its mandate of carrying out training.

However, there are a myriad of challenges that the institution face among them are; fee payment by the trainees, lack of enough public service trainers which hence affect the quality of training and so it forces hiring of BOG trainers which has a cost implication on the limited resources, there is also lack of adequate infrastructural development.

The institution has laid out an elaborate plan to improve trainee population and stakeholders' engagement towards infrastructural improvement e.g. developing more lecture rooms, workshops and dining hall.

During the year ended 30th June 2023, Eldama Ravine Technical and Vocational College was mainly funded through the Government capitation and appropriation in Aid (A-I-A) for its recurrent expenditure.

I wish to finally thank the Government of Kenya, Board of Governance, Management and Staff for their dedication and participation over the year in striving to make Eldama Ravine Technical and Vocational College achieve its desire in producing a more skilled and trained workforce for our country.

Thank you.



Vincent K. Kiptoon

CHAIRMAN, BOARD OF GOVERNORS

6. Report of the Chief/Senior Principal

I am Pleased to have the opportunity to give a report on Technical Training in Eldama Ravine Technical and Vocational College and financial statement of the institution. Having been recently posted to the Eldama Ravine Technical and Vocational College, I thank God and appreciate the MOE for giving me the opportunity to serve in this capacity.

The dreams of our students fall into three major categories.

- i. Many of our student's dream of completing an artisan, craft or Diploma course and applying the skills attained in self-employment.
- ii. Many others dream of earning a credential that leads to a good paying job.
- iii. A few dream of simply taking customized/short training courses that will help them advance in their career.

We are committed to helping our students realize their dreams by providing a conducive learning environment and ensuring that they do practical work and make sure their tuition fee is paid on time; and by emphasizing to them that they must commit to the learning process, show up for classes, complete all class assignments, and ultimately gain the competence that is required by the course.

At ERTVC;

1. We work with all our stakeholders so that our students come to us better prepared for college.
2. We aim to increase access to quality of our programs by organizing outreach programs in high schools so that our potential students get a head start on a college certificate.
3. We are there for our students when they first come in our doors, reinforcing that they can and will be successful.
4. We always advise our students that their goal is not to go or come to college but rather to successfully complete College and gain competence in their field of choice
5. We help our students better understand the financial aid and loan process that the government has provided.
6. Staff are encouraged to make input in major decisions

Technical Education is constantly evolving. New initiatives or advances in technology require staff to conduct business differently. The management will advocate for targeted professional development and as the Principal, I will continue to invest in employee professional development.

Our local communities and our people as a whole will be the ultimate beneficiaries of our dream. We envision a future where all of our communities have a college-educated workforce, ready and able to fill the needs of local business and industry.

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Finally, we acknowledge that Eldama Ravine Technical and Vocational College is a deserving investment and we appeal for continued financial support from the government so as to actualize our dreams.

God Bless Eldama Ravine Technical and Vocational College



Martin Kilel
PRINCIPAL/SECRETARY BOG

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7. Statement of Performance against Predetermined Objectives

(Two-to-three pages)

ERTVC has 8 (Eight) Strategic Themes and Objectives within the current Strategic Plan for the FY 2020- FY 2025. These Strategic Themes are as follows:

- Theme 1: Academic and Student Welfare
- Theme 2: College Leadership and Governance
- Theme 3: Human Resource Development
- Theme 4: ICT Integration, Equipment and Technology
- Theme 5: Financial Stability
- Theme 6: Partnerships, Collaboration and Linkages
- Theme 7: Cross Cutting
- Theme 8: Corporate Image

ERTVC Develops its annual work plans based on the above 8 themes. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The ERTVC Achieved its performance targets set for the FY 2022/2023 period for its 8 strategic pillars as indicated in the table below:

Strategic Theme		Objective	Key Performance Indicators	Activities	Achievements
1. Academic and Student Welfare	Academic programmes Library Lecture Rooms Workshops Student Welfare	To increase student enrolment from 411 to 611 and progression rates	Admission Lists Increase in enrolment Courses rolled out Lecture rooms in place Lecture chairs Equipped Workshops	Aggressively market the courses offered at the college Initiate Market driven	Objective achieved and surpassed
2: College Leadership and Governance		To Establish structures that ensure	Governance	Hold BoG Meetings	Governance policies*

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		smooth running of the College	Quality Assurance Safety and Security Research and Extension Performance Contract	to discuss achievements and Challenges and way forward on achievement of set targets/milestones. Implement Performance Contract	established and implemented
3. Human Resource Development		To recruit, motivate, retain and enhance competent human resource	Scheme of Service TNA Reports Award System	Job Scale Drawn Capacity Building	Competent human resource retained Motivated Staff
ICT Integration, Equipment and Technology		To enhance information and communication technology systems for efficient operations and training	ICT Equipment Procured	ICT Integration in Training and Service Delivery	ICT Equipment procured and in use. ICT Integration established Improved Service Delivery
Financial Stability		To Establish, improve and diversify income generating activities for the financial stability of the College	Increase in income Dairy unit and No. of dairy cows in place No. of students enrolled to the short	Increased Milk Production Students trained in the short courses	2 Income Generating Activities established and operationalized

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			courses		
Partnerships, Collaboration and Linkages		To enhance relevant quality practical skills through partnerships and collaboration with industry and other training institutions	No. of students placed for attachment No. of industries in partnership and collaboration with ERTVC MoU	Students placed on attachment Collaborati on	Students sent for attachment s and in the process of establishin g Collaborat ion and linkages with 3 industries
Cross cutting		HIV/AIDS COVID-19 Gender, Disability Alcohol, drugs and Substance abuse awareness, National Values and principles of governance and Road Safety	Reports sent to relevant authorities/agencies and Policies in Place	Implement ation of the policies	Cross cutting issues mainstrea med within the College
Corporate Image		To uphold and enhance the positive corporate image of ERTVC and improve visibility	Increased enrolment Service Charter CSR (Market Cleaning, ERTVC Farm Demonstra tion day)	Marketing Improved service delivery Market Cleaning Farming Demonstra tion	Eldama Ravine Technical and Vocational College corporate image enhanced

8. Corporate Governance Statement

The Eldama Ravine Technical and Vocational College is committed to good corporate governance, which promotes the long-term interests of the Government of Kenya and any other stakeholders, strengthens board of governors and management accountability and helps build public trust in the college.

The BOG is appointed by the Government of Kenya through the Cabinet Secretary, Ministry of Education, state department of Technical Vocational Education Training to oversee their interest in the long-term health and the overall success of the business and its financial strength in order to discharge its mandate in training. The BOG serves as the ultimate decision making body of the College, except for those matters reserved to or shared with the Government of Kenya. The BOG selects and oversees the members of senior management, who are charged by the BOG with conducting the business of the College in line with the Technical, Vocational, Education & Training Act of 2013 and the constitution of the Republic of Kenya.

The BOG has established Corporate Governance Guidelines which provide a framework for the effective governance of the College. The guidelines address matters such as the colleges' Vision and mission, overall strategy, members' responsibilities, BOG committee structure, recommendation of the Chief Executive Officer, Over-sighting the performance and evaluation of management. The BOG regularly reviews developments in corporate governance and updates the Corporate Governance Guidelines and other governance materials as it deems necessary and appropriate.

The BOG members agreed in their meeting the BOG Chairman are paid sitting allowances of Ksh 13,000 and the members Ksh 8,000. In all their sittings there has been no conflict of interest.

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9. Management Discussion and Analysis

The BOG submitted their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the college's affairs.

There is no major risk faced by the institution at the moment. The college ensures that members of staff contribute to the statutory deductions such as HELB, NHIF, NSSF etc. The college ensure that all statutory deductions are remitted before 9th of the following month.

Eldama Ravine Technical and Vocational College adheres to the Government legal procedures

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

ERTVC Observes the annual tree planting day by planting and taking care of trees within the institution. Every government guest is always accorded an opportunity to plant a tree

Environmental performance

ERTVC Observes the annual tree planting day by planting and taking care of trees within the institution. Every government guest is always accorded an opportunity to plant a tree. During flagging off of the two CSRs (Market Cleaning and Farm Demonstration) and also during the Launch of the Jitume Lab, each guest planted a tree

Employee welfare

Eldama Ravine Technical and Vocational College uses the Human Resource Document customized from the PSC Human Resource Policy to guide in the hiring process. Eldama Ravine Technical and Vocational College Undertakes skills gap analysis/TNA and capacity builds employees based on the results. The management conducts employee appraisal through the ghris portal for PSC staff and is in the process of developing a mechanism for appraising staff under the BoG. The structure for rewards is yet to be put in place. Eldama Ravine Technical and Vocational College is cautious on matters Workshop safety and ensures staff and students are continuously sensitized and practice safety at all times. The College also Implements Health and safety rules and regulations as guided by the Ministry of Health.

Market place practices-

- a) Eldama Ravine Technical and Vocational College ensures responsible competition practices by participating in Sports and Games organized by TVET, sending quarterly reports to EACC, Participating in internal departmental competitions fairly with respect to all competitors
- b) ERTVC advertises using posters, brochures, local media houses, public barazas and online platforms like WhatsApp and Facebook and ensures to maintain ethical marketing practices.
- c) Eldama Ravine Technical and Vocational College students are guaranteed quality training from professional trainers and are assured of acquiring the right skills and knowledge on a timely basis.

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Corporate Social Responsibility / Community Engagements

The college conducted CSR on 28th October, 2022, by holding an Agribusiness Expo where Exhibitors in the Agricultural Industry were invited to show-case their products and services to farmers of Eldama Ravine community and its environs. Training of farmers on best farming practices was also conducted.

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, 2023, which show the state of the Eldama Ravine Technical and Vocational College's affairs.

Principal activities

The principal activities of the entity are (continue to be) Training and Assessment of Trainees

Results

The results of Eldama Ravine Technical and Vocational College for the year ended June 30 are set out on page 18 to 23

Council/Board of Governors

The members of the Board who served during the year are shown on page ix. During the year 2023, the Principal and Secretary to the Board was transferred and Mr. Martin Kilel was appointed with effect from 6th June 2023.

Auditors

The Auditor General is responsible for the statutory audit of the Eldama Ravine Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the Year ended June 30, 2023

By Order of the Board



.....
MARTIN KILEL
Secretary of the Board/Council
Eldama Ravine
Date: 03.03.25.

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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 Board members to prepare financial statements in respect of Eldama Ravine Technical and Vocational College, which give a true and fair view of the state of affairs of the Eldama Ravine Technical and Vocational College at the end of the financial year/period and the operating results of the Eldama Ravine Technical and Vocational College for the year 2022/2023. The Board members are also required to ensure that the Eldama Ravine Technical and Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of the Eldama Ravine Technical and Vocational College. The Board members are also responsible for safeguarding the assets of the Eldama Ravine Technical and Vocational College.

The Board members are responsible for the preparation and presentation of the Eldama Ravine Technical and Vocational College financial statements, which give a true and fair view of the state of affairs of the Eldama Ravine Technical and Vocational College for and as at the end of the financial year (period) ended on June 30, 2023. 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 Eldama Ravine Technical and Vocational College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the Eldama Ravine Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act)The Board members are of the opinion that the Eldama Ravine Technical and Vocational College's financial statements give a true and fair view of the state of Eldama Ravine Technical and Vocational College's transactions during the financial year ended June 30, 2023, and of the Eldama Ravine Technical and Vocational College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Eldama Ravine Technical and Vocational College which have been relied upon in the preparation of the Eldama Ravine Technical and Vocational College's financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Board members to indicate that Eldama Ravine Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement

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Enhancing Accountability

HEADQUARTERS
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P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

The accompanying financial statements of Eldama Ravine Technical and Vocational College set out on pages 27 to 82 which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

Report of the Auditor-General on Eldama Ravine Technical and Vocational College for the year ended 30 June, 2023

amounts for the year then ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by MAPN Associate CPA, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

In my opinion, except for the effects 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 Eldama Ravine Technical and Vocational College as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Debts

The statement of financial position reflects a balance of Kshs.17,252,522 in respect of current portion of receivables from exchange transactions as disclosed in Note 27(a) to the financial statements. However, review of the schedule on aging analysis provided for audit revealed that students' debtors totaling Kshs.13,465,899 related to financial years 2021/2022 and prior years. As at the time of the audit in February, 2025 no provision of bad and doubtful debts was included in the books.

In the circumstances, the recoverability of the receivables from exchange transactions balance of Kshs.13,465,899 could not be confirmed.

2. Undisclosed Value of Property, Plant and Equipment Balance

The statement of financial position did not disclose any balance in relation to property, plant and equipment. As previously reported, the College owns land, buildings, motor vehicle including motorcycles, computers and related equipment, office equipment, furniture and fittings of an undetermined value which were not disclosed in the financial statements. Management did not give any reason for the delayed valuation of equipment.

In the circumstances, the accuracy, completeness, existence, presentation and disclosure of the property plant and equipment balance could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Ksh.41,742,600 and Kshs.22,780,802 respectively resulting to under- funding of Ksh.18,961,798 or 45% of the budget. Similarly, the College spent Kshs.19,220,234 against an approved expenditure budget of Kshs.41,731,355 resulting in an under-expenditure of Kshs.22,511,121 or 54% of the budget.

The under-funding and under-expenditure affected the planned activities of the College and may have had a negative impact on service delivery to the public.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not given any explanation on how the issues were resolved.

Other Information

Management is responsible for the other information set out on page iii to xxv which comprise of Key Entity Information and Management, The Board of Governors, Key Management Team, Chairman's Statement, Report of the Senior 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 Governor's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Failure to Deduct Pay as You Earn (PAYE) from Board Allowances

The statement of financial performance reflects board expenses amounting to Kshs.826,000 in respect to board sitting allowance as disclosed in Note 17 to the financial statements. However, Pay as You Earn (PAYE) was not recovered from the allowances paid. This is contrary to Section 5 of the Income Tax Act, Cap 470 of the Laws of Kenya. In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I 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(s) of the matter(s) described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Weak Information Technology (IT) Internal Control

Review of Information Technology (IT) control environment revealed that the College did not have an Information, Communication and Technology (ICT) policy, ICT strategic plan and IT steering committee in place. The absence of the policy and strategic plan may lead to inconsistent approach towards addressing ICT issues and data confidentiality, accuracy, reliability, integrity and availability, subsequently IT continuity plan, critical data or information may not be recovered in case a disaster occurs

In the circumstances, the adequacy and effectiveness of the IT risk management strategies and controls and processes put in place could not be confirmed.

2. Lack of Internal Audit Function and Audit Committee

The College does not have a functional internal audit department and audit committee therefore, management lacks complete and objective insight into the effectiveness of their risk management, internal controls and governance processes as well as their evaluation and improvement thereof.

In the circumstance, the adequacy and effectiveness of risk management strategies and controls

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 July, 2025

Statement of Financial Performance For The Year Ended 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	6,727,000	8,675,500
Grants from donors and development partners	7	0	0
Transfers from other levels of government	8	0	0
Public contributions and donations	9	0	0
		6,727,000	8,675,500
Revenue from Exchange transactions			
Rendering of services- fees from students	10	15,922,652	10,983,327
Farm income	11	131,150	48,0000
Rental revenue from facilities and equipment	12	0	0
Finance income	13	0	0
Miscellaneous income	14	0	0
Revenue from Exchange transactions		16,053,802	11,031,327
Total Revenue		22,780,802	19,706,827
Expenses			
Use of goods and services	15	12,439,544	8,915,442
Employee costs	16	4,591,806	3,530,320
Board /Council Expenses	17	826,000	819,000
Amortization expense	18	604,000	0
Repairs and maintenance	19	758,884	546,720
Contracted services	20	0	0
Grants and subsidies	21	0	0
Finance costs	22	0	0
Total Expenses		19,220,234	13,811,482
		0	
Other Gains/(Losses)			
Gain on sale of assets	23	0	0
Gain/ Loss on fair value of investments	24	0	0
Impairment loss	25	0	0
Total Other Gains/(Losses)		0	0
Net surplus for the year		3,560,568	5,895,345

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

The Financial Statements set out on pages 18 to 23 were signed by:

.....


Chairman of Council/Board

Date 03.03.25

.....


Finance Officer

ICPAK No 27292

Date 03.03.2025

.....


Principal

Date 03.03.25.

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

Statement of Financial Position as At 30th June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	2,525,620	3,312,641
Current portion of receivables from exchange transactions	27(a)	17,127,522	10,946,931
Receivables from non-exchange transactions	28	0	0
Inventories	29	0	0
Investments in financial assets	30	0	0
Total Current Assets		19,653,142	14,259,572
Non-Current Assets			
Long term receivables from exchange transactions	27(b)	125,000	169,000
Investments	30	0	0
Property, plant, and equipment	31	0	0
Intangible assets	32	1,812,000	2,416,000
Investment property	33	0	0
Biological Assets	34	140,000	125,000
Total Non-Current Assets		2,077,000	2,710,000
Total Assets		21,730,142	16,969,572
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	35	3,878,443	2,688,941
Refundable deposits from customers	36	312,500	302,500
Current provisions	37	0	0
Finance lease obligation	38	0	0
Deferred income	39	0	0
Employee benefit obligation	40	0	0
Payments received in advance	41	0	0
Current portion of borrowings	43	0	0
Social Benefits	45	0	0
Total Current Liabilities		4,190,943	2,990,941
Non-Current Liabilities			0

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
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Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Finance lease obligation	38	0	0
Deferred income	39	0	0
Non-Current Employee Benefit Obligation	40	0	0
Non-Current Provisions	42	0	0
Non- Current Borrowings	43	0	0
Service Concession Liability	44	0	0
Social benefits	45	0	0
Total non- current liabilities			
Total Liabilities		4,190,943	2,990,941
Net Assets			
Revaluation Reserves		0	0
Accumulated Surplus		17,539,199	13,978,631
Capital Fund		0	0
Total Net Assets and Liabilities		21,730,142	16,969,572

The Financial Statements set out on pages 18 to 23 were signed by:



Chairman of Council/Board



Finance Officer



Principal

ICPAK No 27292
Date 03.03.25

ICPAK No 27292
Date 03.03.2025

Date 03.03.25

Statement of Changes in Net Asset For The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 2021	0	8,674,460	0	8,674,460
Revaluation gain	0	-	0	-
Surplus/(deficit) for the year	0	5,304,171	0	5,304,171
Capital grants received during the year	0	-	0	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	0	0	0	0
At June 30, 2022	0	13,978,631	0	13,978,631
	0		0	
At July 1, 2022	0	13,978,631	0	13,978,631
Revaluation gain	0	-	0	-
Surplus/(deficit) for the year	0	3,560,568	0	13,978,631
Capital grants received during the year	0	-	0	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	0	0	0	0
At June 30, 2023	0	17,539,199	0	13,978,631

Eldama Ravine Technical And Vocational College
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17. Statement of Cash Flows for the Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities		6,727,000	8,675,500
Grants from donors and development partners		0	0
Transfers from other levels of government		0	
Public contributions and donations		0	
Rendering of services- fees from students		15,922,652	7,570,350
Farm income		131,150	48,000
Rental revenue from facilities and equipment		0	0
Finance income		0	0
Miscellaneous income		0	0
Total Receipts		22,780,802	16,293,850
Payments			
Use of goods and services		12,439,544	8,915,4420
Employee costs		4,591,806	3,530,320
Board /Council Expenses		826,000	819,000
Repairs and maintenance		758,884	546,720
Amortization		604,000	0
Total Payments		19,220,234	13,811,482
Net Cash Flows from operating activities	46	(772,021)	2,482,368
Cash flows from financing activities		(15,000)	20,000
Purchase of property, plant, equipment and intangible assets		0	(604,000)
Proceeds from sale of property, plant and equipment		0	0
Net cash flows used in investing activities		0	(624,000)
Net cash flows used in financing activities		0	0
Net /(Decrease) in Cash and Cash equivalents		(787,021)	1,858,868
Cash and Cash equivalents at 1 JULY 2023	26	3,312,641	1,774,451
Cash and Cash equivalents at 30 JUNE	26	2,525,620	3,312,641

18. Statement of Comparison of Budget Actual amounts For Year Ended 30 June 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	0	0	0	0	0	%
Grants from donors and development partners	0	0	0	6727,000	(6,727,000)	0%
Transfers from other levels of government	0	0	0	0	0	0%
Sundry debtors	4,000,000	0	4,000,000	0	4,000,000	100%
Rendering of services- fees from students	29,902,600	0	29,902,600	15,922,652	13,979,948	46%
Farm income	200,000	0	200,000	131,150	68,850	34%
Rental revenue from facilities and equipment	0	0	0	0	0	%
Short courses	3,000,000	0	3,000,000	0	3,000,000	100%
Other income	4,640,000	0	4,640,000	0	4,640,000	100%
Total Income	0	0	41,742,600	22,780,802	18,961,798	45%
Expenses						
Use of goods and services	20,160,705	0	20,160,705	12,439,544	7,721,161	38%
Employee costs	4,212,500	0	4,212,500	4,591,806	(3,75,306)	9%
Board /Council Expenses	845,000	0	845,000	826,000	19,000	2.2%
Repairs and maintenance	980,400	0	980,400	758,884	221,516	23%
Amortization	0	0	0	604,000	(604,000)	0%
Capital expenditure	15,532,750	0	15,532,750	0	15,532,750	100%
Total Expenditure	41,735,355	0	41,735,355	19,220,234	22,515,121	53%
	0	0	0	0	0	
Surplus For the Period	7245	0	7245	0	0	0%
Capital Expenditure	15,532,750	0	15,532,750	3,560,568	(3,553,323)	23%

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

19. Notes to the Financial Statements

1. General Information

Eldama Ravine Technical and Vocational College is established by and derives its authority and accountability from PFM Act, the State Corporations Act and the TVET Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide quality training in technical, industrial, vocational and entrepreneurship.

2. Statement of Compliance and Basis of Preparation

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

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

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

iii. Early adoption of standards

Eldama Ravine Technical and Vocational College did not early-adopt any new or amended standards in year 2023.

4. Summary of Significant Accounting Policies

- a) Revenue recognition
- i) Revenue from non-exchange transactions

Transfers from other government entities

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

- ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2022/2023 was approved by the Council or Board on 30/6/2023. 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 2022/2023 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 financial performance has been presented on page 18 under section 13 of TVET Act no.29 of 2013 of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per 1st schedule subsection (a) and (b) of the *the income tax Act 2010*.

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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. It is derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

f) Leases

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 25*.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 Eldama Ravine Technical and Vocational College

k) Provisions

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

Contingent liabilities

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

Contingent assets

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

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is

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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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

The Eldama Ravine Technical and Vocational College creates and maintains reserves in terms of specific requirements. Eldama Ravine Technical and Vocational College

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The Eldama Ravine Technical and Vocational College 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.

p) Foreign currency transactions

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

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

The Eldama Ravine Technical and Vocational College regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Service concession arrangements

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

t) Cash and cash equivalents

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

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Eldama Ravine Technical and Vocational College 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 Eldama Ravine Technical and Vocational College.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

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

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.

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	6,727,000	8,675,500
Operational Grant	0	0
Total unconditional Grants	6,727,000	8,675,500

(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	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Education Ministry /State Department					
Education Ministry	6,727,000	0	0	6,727,000	8,675,500
Total	6,727,000	0	0	6,727,000	8,675,500

The details of the reconciliation have been included under appendix xxx

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

7. Grants from Donors and Development Partners

Description	2022-2023	2021-2022
	Kshs	Kshs
JICA- Research Grant	xxx	xxx
World Bank Grants	xxx	xxx
In-Kind Donations	xxx	xxx
Donations transferred to revenue-conditions met	xxx	xxx
Other Grants (specify)	xxx	xxx
Total Grants from Development Partners	xxx	xxx

(a) Reconciliations of grants from donors and development partners

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance unspent at beginning of year	xxx	xxx
Current year receipts	xxx	xxx
Conditions Met - Transferred to Revenue	xxx	xxx
Conditions Yet To Be Met - Remain Liabilities	xxx	xxx

8. Transfers from Other Levels of Government

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfer from County XX	xxx	xxx
Transfer from XX University	xxx	xxx
Transfer from XX Institute	xxx	xxx
Total Transfers	xxx	xxx

9. Public Contributions and Donations

Description	2022-2023	2021-2022
	Kshs	Kshs
Public Donations	xxx	xxx
Donations from Local Leadership	xxx	xxx
Donations from Religious Institutions	xxx	xxx
Donations from Alumni	xxx	xxx
Other Donations	xxx	xxx
Total Donations and Contributions	xxx	xxx

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

10. Rendering of Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Tuition Fees	11,118,762	7,812,347
Activity Fees	0	0
Industrial Attachment Fees	0	0
Examination Fees	3,340,890	2,134,680
Computer Packages	77,000	87,500
Facilities And Materials	0	0
Admission Fees	1,386,000	948,800
Others (<i>Specify</i>)	0	0
Total Revenue from The Rendering of Services	16,053,802	10,893,327

11. Sale of Goods

Description	2022-2023	2021-2022
	Kshs	Kshs
Sale of Books	0	0
Sale of Publications	0	0
Sale of Farm Produce	131,150	48,000
Cafeteria sales	0	0
Other sales (specify)	0	0
Total Revenue from Sale of Goods	131,150	48,000

12. Rental revenue from facilities and equipment

Description	2022-2023	2021-2022
	Kshs	Kshs
Hire of Facilities and Equipment	xxx	xxx
Contingent Rentals	xxx	xxx
Operating Lease Revenue	xxx	xxx
Total	xxx	xxx

Notes to the Financial Statements (Continued)

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

13. Finance Income

Description	2022-2023	2021-2022
	2022-2023	2021-2022
Cash investments and fixed deposits	xxx	xxx
Interest income from treasury bills	xxx	xxx
Interest income from treasury bonds	xxx	xxx
Interest from outstanding debtors	xxx	xxx
Total finance income	xxx	xxx

14. Miscellaneous Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Insurance recoveries	xxx	xxx
Consultancy fees	xxx	xxx
Income from sale of tender	xxx	xxx
Services concession income	xxx	xxx
Reimbursements and refunds	xxx	xxx
Graduation fees	xxx	xxx
Bad debts recovered	xxx	xxx
Income written back	xxx	xxx
Miscellaneous income (<i>specify</i>)	xxx	xxx
Total other income	xxx	xxx

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023
Notes To the Financial Statements (Continued)

15. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Teaching and learning materials	11,704	841,427
Industrial attachment costs	172,733	69,400
Electricity Water & conservation	211,668	191,376
Stationery	661,683	732,143
KITCHEN	612,075	12,500
ACTIVITY FEES	852,810	586,200
Development	599,400	0
NHIF	152,150	101,100
Examination fees	2,158,362	1,512,580
Insurance	0	24,000
Tender	0	5,500
Travelling and accommodation	1,637,957	1,685,257
Student ID	0	72,400
House keeping	64,650	42,919
Helb recovery	109,200	52,800
Farm expense	580,786	163,880
Administrative Cost	3,760,012	1,795,903
Performance contracting	165,200	527,437
General Agriculture	363,440	0
Marketing expenses	291,660	463,680
Bank Charges	34,054	34,940
Total good and services	12,439,544	8,915,442

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

Notes To the Financial Statements (Continued)

16. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	4,591,806	3,530,320
Employee Costs	4,591,806	3,530,320

17. Board/Council Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Directors Emoluments	826,000	819,000
Total	826,000	819,000

18. Depreciation and Amortization expense

Description	2022-2023	2021-2022
	Kshs	Kshs
Intangible assets	604,000	0
Total amortization	604,000	0

19. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Property	758,884	546,720
Total Repairs and Maintenance	758,884	546,720

Notes To the Financial Statements (Continued)

20. Contracted Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Actuarial valuations	xxx	xxx
Investment valuations	xxx	xxx
Property valuations	xxx	xxx
Other (specify)	xxx	xxx
Total contracted services	xxx	xxx

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
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21. Grants and Subsidies

Description	2022-2023	2021-2022
	Kshs	Kshs
Community Development	xxx	xxx
Education Initiatives and Programs	xxx	xxx
Social Development	xxx	xxx
Social benefits expenses	xxx	xxx
Community Trust	xxx	xxx
Sporting Bodies	xxx	xxx
Total Grants and Subsidies	xxx	xxx

22. Finance Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Borrowings (Amortized Cost)*	xxx	xxx
Finance Leases (Amortized Cost)	xxx	xxx
Unwinding of Discount from lease liabilities	xxx	xxx
Interest on Bank Overdrafts	xxx	xxx
Interest on Loans from Commercial Banks	xxx	xxx
Total Finance Costs	xxx	xxx

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

Notes To the Financial Statements (Continued)

23. Gain On Sale of Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	xxx	xxx
Intangible Assets	xxx	xxx
Other Assets not capitalised	xxx	xxx
Total Gain On Sale of Assets	xxx	xxx

24. Gain/(loss) on Fair Value Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Fair value on equity investments	xxx	xxx
Fair value arising from investment property	xxx	xxx
Fair value arising from biological assets	xxx	xxx
Fair value- other financial assets (specify)	xxx	xxx
Total Gain	xxx	xxx

25. Impairment Loss

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	xxx	xxx
Intangible Assets	xxx	xxx
Total Impairment Loss	xxx	xxx

26. Cash and Cash Equivalentents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	2,525,620	3,312,641
Total Cash and Cash Equivalentents	2,525,620	3,312,641

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023
Notes To The Financial Statements (Continued)

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

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1285703464	1,980,121	1,735,587
Equity Bank, etc.	1310276606399	545,499	1,577,054
Grand Total		2,525,620	3,312,641

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
Annual Report and Financial Statements for the year ended 30th June 2023

Notes to the Financial Statements (Continued)

27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Student Debtors	17,127,522	10,946,931
Other receivables	0	0
Total Current Receivables	17,127,522	10,946,931

27 (b) Long- term Receivables from Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	125,000	169,000
	125,000	169,000

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	2022-2023		2021-2022	
	Kshs	% of total	Kshs	% of total
	2022-2023	% of total	2021-2022	% of total
Less than 1 year	6,180,591	36%	0	%
Between 1- 2 years	3,952,122	23%	3,952,122	36%
Between 2-3 years	1,229,838	7%	1,229,838	11%
Over 3 years	5,764,971	34%	5,764,971	53%
Total	17,127,522	100%	10, 946,931	100%

ELDAMA RAVINE TECHNICAL AND VOCATIONAL COLLEGE
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27 (d) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	xxx	xxx
Provisions during the year	xxx	xxx
Recovered during the year	(xxx)	(xxx)
Write offs during the year	(xxx)	(xxx)
At the end of the year	xxx	xxx

28. Receivables from Non-Exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Receivables		
Capitation Grants*	6,727,000	8,175,000
Total Current Receivables	6,727,000	8,175,000

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

Description	2022-2023		2021-2022	
	Kshs	% of the total	Kshs	% of the total
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	7,893,000	74%	0	%
Between 1- 2 years	2,842,500	26%	0	%
Total	10,735,500	100%	0	%

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

Description	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	xxx	xxx
Additional provisions during the year	xxx	xxx
Recovered during the year	(xxx)	(xxx)
Written off during the year	(xxx)	(xxx)
At the end of the year	xxx	xxx

29. Inventories

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumable stores	xxx	xxx
Maintenance stores	xxx	xxx
Health Unit stores	xxx	xxx
Electrical stores	xxx	xxx
Cleaning Materials stores	xxx	xxx
Catering stores	xxx	xxx
Less: Impairment allowance	xxx	xxx
Total Inventories at lower of Cost and Net Realizable Value	xxx	xxx

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Notes to the Financial Statements (Continued)

30. Investments in financial assets

Description	2022-2023	2021-2022
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	xxx	xxx
CBK	xxx	xxx
Sub- Total	xxx	xxx
b) Investment with Financial Institutions/ Banks		
Bank X	xxx	xxx
Bank Y	xxx	xxx
Sub- Total	xxx	xxx
c) Equity Investments		
Equity/ Shares in Company Xxx	xxx	xxx
Sub- Total	xxx	xxx
Grand Total	xxx	xxx

d) Shareholding in other entities

For investments in equity share 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			Nominal Value of Shares	Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding		2022-2023	2021-2022
	%	%	%	Kshs	Kshs	Kshs
Entity A	xxx	xxx	xxx	xxx	xxx	xxx
Entity B	xxx	xxx	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx	xxx	xxx

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Biological Assets	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs		Kshs
At 1 July 2021	xxx	xxx	xxx	xxx	xxx	xxx	xxx	0	0
Additions	xxx	xxx	xxx	-	xxx	-	xxx	0	0
Disposals	(xxx)	(xxx)	-	-	(xxx)	-	(xxx)	0	0
Transfers/Adjustments	xxx	(xxx)	xxx	(xxx)	(xxx)	-	xxx	0	0
At 30th June 2022	xxx	xxx	xxx	xxx	xxx	xxx	xxx	0	0
Additions	xxx	xxx	xxx	-	xxx	xxx	xxx	0	0
Disposals	(xxx)	-	-	-	(xxx)	-	(xxx)	0	0
Transfer/Adjustments	(xxx)	xxx	xxx	(xxx)	(xxx)	-	xxx	0	0
At 30th June 2023	xxx	xxx	xxx	xxx	xxx	xxx	xxx	0	0
								0	0
Depreciation And Impairment								0	0
At 1 Jun 2022	-	(xxx)	(xxx)	(xxx)	(xxx)	-	(xxx)	0	0
Depreciation	-	(xxx)	(xxx)	(xxx)	(xxx)	-	(xxx)	0	0
Disposals	-	-	-	-	xxx	-	xxx	0	0
Impairment	-	-	-	-	(xxx)	-	-	0	0
At 30 Jun 2022		xxx	xxx	xxx	xxx	xxx	xxx	0	0
Depreciation	-	(xxx)	(xxx)	-	(xxx)	(xxx)	(xxx)	0	0
Disposals	-	-	-	-	xxx	-	xxx	0	0
Impairment	-	(xxx)	-	-	(xxx)	-	-	0	0
Transfer/Adjustment	-	(xxx)	(xxx)	xxx	(xxx)	-	(xxx)	0	0
At 30th Jun 2023	-	xxx	xxx	xxx	xxx	xxx	xxx	0	0
Net Book Values								0	0
At 30th Jun 2022	xxx	xxx	xxx	xxx	xxx	xxx	xxx	0	0
At 30th Jun 2023	xxx	xxx	xxx	xxx	xxx	xxx	xxx	0	0

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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.

31 (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	xxx	xxx	xxx
Buildings	xxx	xxx	xxx
Plant And Machinery	xxx	xxx	xxx
Motor Vehicles including Motorcycles	xxx	xxx	xxx
Computers and Related Equipment	xxx	xxx	xxx
Office Equipment, Furniture, And Fittings	xxx	xxx	xxx
Total	xxx	xxx	xxx

32. Intangible Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At beginning of the year	1,812,000	2,416,000
Additions	0	0
At end of the year	1,812,000	2,416,000
Amortization	0	0
At beginning of the year	0	0
Amortization	604,000	0
At end of the year	604,000	0
NBV	1,208,000	2,416,000

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Notes to the Financial Statements (Continued)

33. Investment Property

Description	2022-2023	2021-2022
	Kshs	Kshs
At beginning of the year	xxx	xxx
Additions	xxx	xxx
Disposal during the year	(xxx)	(xxx)
Depreciation	(xxx)	(xxx)
Impairment	(xxx)	(xxx)
Gain or loss on fair value- if fair value is elected	xxx	xxx
At end of the year	xxx	xxx

34. Biological Assets

cattle	2022-2023	2021-2022
	kshs	kshs
At 1 July 2021	105,000	105,000
Additions	20,000	20,000
Disposals	0	0
Transfers/Adjustments	0	0
At 30th June 2022	125,000	125,000
Additions	15,000	15,000
Disposals	0	0
Transfer/Adjustments	0	0
At 30th June 2023	140,000	140,000
At 30th Jun 2023	140,000	140,000
Net Book Values		
At 30th Jun 2022	125,000	125,000
At 30th Jun 2023	140,000	140,000

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35. Trade and Other Payables

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Trade payables	3,878,443		2,688,941	
Total Trade and Other Payables	3,878,443		2,688,941	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	1,412,000	36%	0	
1-2 years	2,466,443	64%	0	xxx
Total	3,878,443	100%	0	xxx

36. Refundable Deposits from Customers/Students

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Caution money	312,500		302,500	
Total Deposits	312,500		302,500	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	0	0%	0	0%
1-2 years	112,200	36%	112,200	36%
2-3 years	116,900	37%	116,900	37%
Over 3 years	82,900	27%	82,900	27%
Total	312,500	100%	312,500	100

37. Current Provisions

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

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38. Finance Lease Obligation

Description	2022-2023	2021-2022
	Kshs	Kshs
At the start of the year	xxx	xxx
Discount interest on Lease Liability	xxx	xxx
Paid during the year	(xxx)	(xxx)
At end of the year	xxx	xxx

Maturity Analysis

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

Analysed as:

Description	Amount
	Kshs
Current	xxx
Non- Current	xxx
Total	xxx

39. Deferred Income

Description	2022-2023	2021-2022
	Kshs	Kshs
National Government	xxx	xxx
International Funding Bodies	xxx	xxx
Public Contributions and Donations	xxx	xxx
Total Deferred Income	xxx	xxx

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Notes to the Financial Statements (Continued)

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	xxx	xxx	xxx	xxx
Additions during the year	xxx	xxx	xxx	xxx
Transfers to capital fund	(xxx)	(xxx)	(xxx)	(xxx)
Transfers to income statement	(xxx)	(xxx)	(xxx)	(xxx)
Other transfers	(xxx)	(xxx)	(xxx)	(xxx)
Balance carried forward	xxx	xxx	xxx	xxx

Analysed as:

Description	Amount
	Kshs
Current	xxx
Non- Current	xxx
Total	xxx

40. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Non-Current Benefit Obligation	xxx	xxx	xxx	xxx	xxx
Total Employee Benefits Obligation	xxx	xxx	xxx	xxx	xxx

Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from July 1, 2022. 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	2022-2023	2021-2022
	Kshs	Kshs
Discount Rates	x%	x%
Future Salary Increases	x%	x%
Future Pension Increases	x%	x%
Mortality (Pre- Retirement)	x%	x%
Mortality (Post- Retirement)	x%	x%
Withdrawals	xx	xx
Ill Health	xx	xx
Retirement	xx years	xx years

Recognition of Retirement Benefit Asset/ Liability

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

Description	2022-2023	2021-2022
	Kshs	Kshs
The return on defined plan assets	xxx	xxx
Actuarial gains/ losses arising from changes in demographic assumptions	xxx	xxx
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	xxx	xxx
Actuarial gains and losses arising from experience adjustments	xxx	xxx
Others	xxx	xxx
Adjustments for restrictions on the defined benefit asset	xxx	xxx
Remeasurement of the net defined benefit liability	xxx	xxx

- b) Amounts recognised in the Statement of Financial Position

Description	2022-2023	2021-2022
	Kshs	Kshs
Present value of defined benefit obligations(a)	xxx	xxx
Fair value of plan assets(b)	(xxx)	(xxx)
Funded status(=a-b)	xxx	xxx
Restrictions on asset recognised	xxx	xxx
Others	xxx	xxx
Net asset or liability arising from defined benefit obligation	xxx	xxx

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

41. Payments received in advance.

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Fees received in advance	xxx		xxx	
Others (Specify)	xxx		xxx	
Total	xxx		xxx	
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	xxx	%	xxx	%

42. 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	xxx	xxx	xxx	xxx	xxx
Additional Provisions	xxx	xxx	xxx	xxx	xxx
Provision utilised	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Change due to discount and time value for money	xxx	xxx	xxx	xxx	Xxx
Less: Current portion	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Total deferred income	xxx	xxx	xxx	xxx	Xxx

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43. Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Balance at beginning of the year	xxx	xxx
External borrowings during the year	xxx	xxx
Domestic borrowings during the year	xxx	xxx
Repayments of external borrowings during the year	(xxx)	(xxx)
Repayments of domestic borrowings during the year	(xxx)	(xxx)
Balance at end of the year	xxx	xxx

43 a) Analysis of External and Domestic Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
External borrowings		
Dollar denominated loan from 'xx organization'	xxx	xxx
Sterling pound denominated loan from 'yyy organization'	xxx	xxx
Euro denominated loan from 'zzz organization'	xxx	xxx
Domestic borrowings		
Kenya shilling loan	xxx	xxx
Total balance at end of the year	xxx	xxx

43 b) Breakdown of Long and Short-Term Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Short Term Borrowings(Current Portion)	xxx	xxx
Long Term Borrowings	xxx	xxx
Total	xxx	xxx

44. Service Concession Arrangements

Description	2022-2023	2021-2022
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	xxx	xxx
Accumulated depreciation to date	(xxx)	xxx
Net carrying amount	xxx	xxx
Service concession liability at beginning of the year	xxx	xxx
Service concession revenue recognized	(xxx)	(xxx)
Service concession liability at end of the year	xxx	xxx

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45. Social Benefit Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Health social benefit scheme	xxx	xxx
Unemployment social benefit scheme	xxx	xxx
Orphaned and vulnerable benefit scheme	xxx	xxx
People Living with disabilities benefit scheme	xxx	xxx
Elderly social benefit scheme	xxx	xxx
Bursary social benefits	xxx	xxx
Total	xxx	xxx
Current social benefits	xxx	xxx
Non- current social benefits	xxx	xxx
Total (tie to totals above)	xxx	xxx

Notes to the Financial Statements (Continued)

46. Cash generated from operations.

Surplus for the year before tax	2022-2023	2021-2022
	Kshs	Kshs
Cash from operating activities		
Surplus	3,560,568	xxx
Decrease in receivables from exchange transactions	(6,180,591)	(xxx)
Increase in long term receivables from exchange transactions	45,000	(xxx)
Increase in trade and other payables from exchange transactions	1,189,502	xxx
Increase in refundable deposits from customers	9,500	(xxx)
Depreciation/Amortization	604,000	xxx
Net Cash Flow from Operating Activities	(772,021)	xxx

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Notes to the Financial Statements (Continued)

47. Financial Risk Management

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

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

(i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables from exchange transactions	10,946,931	10,946,931	0	0
Receivables from non-exchange transactions	8,675,500	8,675,500	0	0
Bank balances	3,312,641	3,312,641	0	0
Total	22,935,072	22,935,072	0	0
At 30 June 2023				
Receivables from exchange transactions	15,922,652	15,922,652	0	0
Receivables from non-exchange transactions	6,727,000	6,727,000	0	0
Bank balances	2,525,620	2,525,620	0	0
Total	25,175,272	25,175,272	0	0

Notes to the Financial Statements (Continued)

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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 2022				
Trade Payables	xxx	xxx	xxx	xxx
Current Portion Of Borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Deferred Income	xxx	xxx	xxx	xxx
Employee Benefit Obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx
At 30 June 2023				
Trade Payables	xxx	xxx	xxx	xxx
Current Portion Of Borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Deferred Income	xxx	xxx	xxx	xxx
Employee Benefit Obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

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

(iii) Market risk

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

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

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

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

a) Foreign currency risk

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

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

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.

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

Foreign currency sensitivity analysis

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

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

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 (2023: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2023 – Kshs xxx)

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

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	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	17,539,199	22,061,917
Capital Reserve	0	0
Total Funds	17,539,199	22,061,917

48. 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 Eldama Ravine Technical and Vocational College y, holding 100% of the Eldama Ravine Technical and Vocational College equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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

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Notes to the Financial Statements (Continued)

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	xxx	xxx
Rent income from govt. agencies	xxx	xxx
Water sales to govt. agencies	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
Total	xxx	xxx
B) Purchases from related parties		
Purchases of electricity from kplc	xxx	xxx
Purchase of water from govt service providers	xxx	xxx
Rent expenses paid to govt agencies	xxx	xxx
Training and conference fees paid to govt. agencies	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
Total	xxx	xxx
b) Grants /Transfers from the Government		
Grants from National Govt	xxx	xxx
Grants from County Government	xxx	xxx
Donations in Kind	xxx	xxx
Total	xxx	xxx
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	xxx	xxx
Payments for Goods and Services for XX	xxx	xxx
Total		
d) Key Management Compensation		
Directors' emoluments	xxx	xxx
Compensation to Key Management	xxx	xxx
Total	xxx	xxx

49. Segment Information

Notes to the Financial Statements (Continued)

50. Contingent Assets and Contingent Liabilities

Contingent Assets

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Description	2022-2023	2021-2022
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	xxx	xxx
Assets arising from determination of Court Cases	xxx	xxx
Reimbursable Indemnities and Guarantees	xxx	xxx
Others (<i>Specify</i>)	xxx	xxx
Total	xxx	xxx

Contingent Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Contingent Liabilities	xxx	xxx
Court Case Xxx against	xxx	xxx
Bank guarantees in favour of subsidiary	xxx	xxx
Contingent liabilities arising from Contracts including PPPs	xxx	xxx
Others	xxx	xxx
Total	xxx	xxx

51. Capital Commitments

Capital Commitments	2022-2023	2021-2022
	Kshs	Kshs
Authorised for	xxx	xxx
Authorised and Contracted for	xxx	xxx
Total	xxx	xxx

Notes to the Financial Statements (Continued)

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.

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

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

.....
M. Kilez
 Name.....**MARTIN KILEZ**.....

Accounting Officer
Eldama Ravine Technical and vocational college
 Date : **03.03.25.**

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Appendix II: Projects Implemented]

Projects

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

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

Status of Projects completion

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

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Appendix III- Inter-Entity Confirmation Letter

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June 2023				Amount Received by [Beneficiary Entity] (Kshs) as at 30 th June 2023 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accountants department of beneficiary Entity:

Name **Sign** **Date**

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Appendix IV: Reporting of Climate Relevant Expenditures

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

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Appendix V: Reporting on Disaster Management Expenditure

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