

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY  
PAPERS LAID

**REPORT**

DATE: 14 APR 2026

DAY.  
Tuesday

TABLED  
BY:

Hon. Naomi Wago, CBS, MP  
(Deputy Majority Whip)

CLERK-AT  
THE-TABLE:

Inzofu Mwale, HSC

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OF KENYA  
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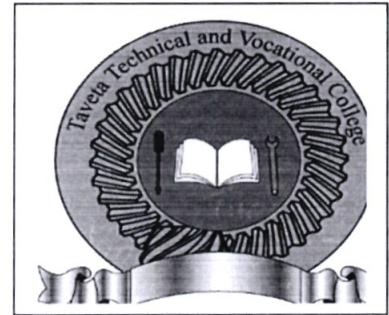
**OF**

**THE AUDITOR-GENERAL**

**ON**

**TAVETA TECHNICAL AND VOCATIONAL  
COLLEGE**

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



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**TAVETA TECHNICAL AND VOCATIONAL COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2025**

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

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

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**1. Acronyms and Definition of Key Terms**

**A. Acronyms**

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

**B. Definition of Key Terms**

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

**Comparative Year**- Means the prior period.

**2. Key Entity Information and Management**

**(a) Background information**

The Taveta Technical and Vocational College was established in 2015 by the government as part of the implementation of TVET reforms to have at least a TVET institution in all constituencies in Kenya. The purpose of establishing the college was to provide business and technical skills for school leavers in order to meet the human resource needs of Kenya’s developing economy. The College is situated in Taita Taveta County, Taveta Constituency, Taveta Town, about 3 km from the Town centre along the Taveta - Holili Road. The college is built on 10 acres land and is registered by the TVETA as per the TVET Act 2013. The college implements TVET-CDACC and KICD curriculum, developed and examined by TVET-CDACC, and KNEC, respectively. TTVC is staffed by the Ministry of Education through the State Department of Vocational and Technical Training, Directorate of TVET. The college has well equipped state of the art workshops in Electrical and Electronic Engineering and ICT laboratory for training. Taveta Technical and Vocational College is committed to provide quality Education and training in Technical Courses, namely Electrical Engineering, Information and Communication Technology, Tourism Management, Food and beverage management, Human resource management and Building and civil engineering. The departments are electrical engineering, building and construction technology, business management and tourism institution management. The college is in cognition of the demand for quality and competent human labour force from TVET Institutions and has fully engaged in high skills training using the modern industrial training equipment from China supplied by the Ministry of Education.

**i. Principal Activities**

The principal mandate of the entity is to facilitate the acquisition of high-quality technical skills and knowledge in line with the government policy so as to ensure that its graduates are of world class standards.

**ii. Vision statement.**

A be a leader in provision of quality technical and vocational training in Kenya and beyond

**iii. Mission**

To empower and produce highly innovative and competent graduates through quality training

**iv. Core Values**

| <b>Value</b>    | <b>Description</b>  |
|-----------------|---|
| Integrity       | Uphold honesty, accountability and responsibility for strong moral principles in all decisions and actions. |
| Professionalism | Ensure and maintain high standards in the discharge of responsibilities and delivery of services.           |

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|  |  |
|--|--|
| Innovativeness                           | Adapt and utilize the latest appropriate technology and practice to achieve efficiency and effectiveness in service delivery.                |
| Respect for diversity                    | Uphold high appreciation for culture, gender, religion and ethnicity.  |
| Provision of equal opportunities for all | The college shall provide equal opportunities for all without favour or discrimination.  |
| Prudent environmental management         | Manage the environment prudently and promote efficient utilization of the environmental resources for both the present and future generation |

**v. Strategic Objectives**

- To promote efficient finance management and sustainability.
- To improve training and learning through research and development.
- To continuously improve the College’s Human Resource Capacity for effective service delivery
- To promote Information Communication Technology and innovations in the College
- To enhance corporate image of the College

**(b) Key Management**

Taveta Technical and Vocational Training College day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer
- Deputy Principal
- Registrar
- Dean of students

**(c) Fiduciary Management**

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

| <b>SN.</b> | <b>Designation</b> | <b>Name</b>       |
|------------|--------------------|-------------------|
| 1.         | Principal          | -MARTIN MAKOKHA   |
| 2.         | Deputy principal   | -EVERLYNE NZIOKA  |
| 4          | Registrar          | -HOSEA KIPLAGAT   |
| 5          | Dean of students   | -SELESTINAH SAMBI |
| 6          | Head of Finance    | -NASHON MUCHEMI   |

**Key Entity Information and Management (Continued)**

**(d) Fiduciary Oversight Arrangements**

• **Audit and risk committee activities**

- ✓ Perform an independent review of the Financial Statements that ensures integrity of financial reports.
- ✓ Review the adequacy and effectiveness of the Institution internal controls.
- ✓ Monitor the effectiveness of the institutions internal audit functions.
- ✓ Review audit issues by the internal/external audit and ensure external recommendations are fully addressed.
- ✓ Regulatory compliance: ensure the institution complies with the relevant legislative requirements.
- ✓ Reviewing and assessing the quality, reliability and integrity of institutions risk management.

• **Finance and operations committee activities**

- ✓ Review draft Annual budgets and report to the full Board.
- ✓ Review Annual reports and quarterly financial statements
- ✓ To monitor and ensure optimal composition of assets and liabilities

• **Academic committee activities**

- Formulate, review and recommend academic policies for implementation

**(e) Entity Headquarters**

TAVETA TECHNICAL AND VOCATIONAL COLLEGE  
P.O. Box 441-80302  
MOKINI RD OFF.TAVETA. HOLILI ROAD TAVETA, KENYA

**(f) Entity Contacts**

Telephone: (254) 748290567  
E-mail: [tavetatvc2018@gmail.com](mailto:tavetatvc2018@gmail.com)  
Website: [www.go.ke](http://www.go.ke)

**(g) Entity Bankers**

Kenya Commercial Bank  
P.O BOX 48400-00100  
NAIROBI KENYA

**Key Entity Information and Management (Continued)**

Email: [contactcentre@kcbgroup.com](mailto:contactcentre@kcbgroup.com).  
Mobile + (254) 0711087000 or 0732187000  
[www.kcbgroup.com](http://www.kcbgroup.com)

**(h) Independent Auditors**




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

**(i) Principal Legal Adviser**





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

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**3.The Board of Governors**

| Name   | Position   | DOB        | Qualifications  | Work experience  |
|--|--|------------|---|--|
| <br>1. Leonard Saning'o Ngaluma | Chairman   | 15.12.1966 | -Master's in Business Administration<br>-Bachelors of Arts (Hon) Majoring in History & Kiswahili                        | 2012-date: Commission on Administrative Justice<br>2010-2012: Senior deputy secretary (operations)<br>2002-2010: District Commissioner/Senior District Commissioner              |
| <br>2.Rosina Nasigha Mruttu    | Education, Training & Development Committee Member |            | -Masters in counselling studies<br>-Degree in leadership and management<br>-Higher diploma in psychological counselling | 2016-Date: Centre of victims of torture(CVT) Nairobi<br>2015-2016: Centre of victims of torture(CVT) Dadaab<br>2011-2015: Kenya counselling and psychological association (KCPA) |
| <br>3.Athumani Omar Sheria    | Education, Training & Development Committee Member | 1978       | -MSc in electrical & electronics engineering (Power system option) (pending g thesis)                                   | 2017-Date: Kenya power & lightning company<br>2010-2015: Technologist Technical University of Mombasa<br>2013: Consultant Kubase(K) International limited                        |




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|   |   |          |  |   |
|---|---|----------|--|---|
| <br>4. David Ochieng Okoth         | Administration & Finance Committee Member                   | 1979     | -Master of Business Administration (ongoing)<br>Diploma in Business Management | 2010-date: Kenya College of Management<br>2006-2009: Piaggio services company |
| 5. Lawrence Mukhongo Manyonge<br> | Chairman Education, Training & Development Committee Member |          | -PhD Manufacturing Systems   | Technologist Technical Pwani university                                       |
| 6. Peter Mwangi Wangai<br>       | DTVET Coast Region  |          | Msc. Education   | Director of education. TTVC)  |
| 7. Ochieng Vitallis Odhiambo<br> | Member  | 07/03/72 | Accountant   | ACCOUNTANT Kubase(K) International limited                                    |



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|   |   |            |  |  |
|---|---|------------|--|--|
| <br>6.Farida Abdalla Soud  | Administration & Finance Committee Member | 11.01.1970 | -MSc in Financial Service Management<br>-Certified Public Accountant (CPA) | 2015-Date: Group Financial Controller Heritage Hotels East Africa, Kenya<br>2015: Chief accountant/Preopening accountant Multi-property Makkah, Saudi Arabia |
| <br>7.Mr . Martin Makokha | Secretary                                 | 13.09.1972 | - B.E.D , MA senior management   | 2025 To Date Senior Principal TTVC<br>2018-2024- Deputy Principal TTNP<br>2008-2027 . H.O.D<br>1997-2007- Trainer  |

4. Key Management Team

| <i>SN.</i> | <i>Member/ Director</i>   | <i>Details</i>   |
|------------|---|--|
| 1.         |  <p>Martin Makokha</p>   | <p>Name: Martin Makokha<br/>                     Position: Senior Principal<br/>                     Qualification: B.E.D , MA senior management</p> |
| 2.         |  <p>Everlyne Nzioka</p> | <p>Name: Everlyne Nzioka<br/>                     Position: Deputy Principal<br/>                     Qualification: B.S.C. Tourism Management</p>   |
| 3.         |  <p>Hosea Kiplagat</p> | <p>Name: Hosea Kiplagat<br/>                     Position: Registrar<br/>                     Qualification: B.S.C. IT</p>                           |

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|    |   |   |
|----|---|---|
| 4. |  <p>Selestinah<br/>sambi</p> | <p>Name: Selestinah Sambi<br/>         Position: Dean Of Students<br/>         Qualification: B.S.C. Tourism and<br/>         Hospitality Management</p>                    |
| 5. |  <p>Nashon Mchemi</p>        | <p>Name: Mr. Nashon Mchemi, CPA<br/>         Position: Finance officer.<br/>         Qualifications: B Com (Finance option),<br/>         CPA (K), Accountancy Diploma.</p> |
|    |   |   |

## **5. Chairman's Statement**

(On behalf of the Institute Board of Governors, I am pleased to present to you the Taveta Technical and Vocational College Annual Reports and financial statements for the year ended 30th June 2025. During the period, the institute continued to deliver on its core mandate of provision of quality technical educational and training (TVET), research and community outreach, that is market driven and well aligned with the big four agenda.


The government of Kenya embarked on a comprehensive reform on technical and vocational training in order to develop highly skilled manpower to provide the technical skills needed by the industry. The national plans and other strategic priorities have consistently placed emphasis on development of skills that match the industry requirements. Taveta TVC has aligned its strategic plan (2021-2026) with the vision 2030 and the BETA agenda of the government as outlined in the constitution of Kenya 2010. In that spirit the institute has begun a Jitume lab project which is aimed at helping the youth generate some income and become self-reliable. However, due to financial constraints, the project remains incomplete lacking computers and a reliable internet network.

I recognize with much appreciation the critical role that TVET's play in building the foundation which will move our nation to a fully industrialized economy.

During the F/Y year 2024/2025, the Institute projected to focus on increasing student enrollment and improvement of infrastructure to support learning and research. In that spirit the institute had improvised two additional classes with the little space available. However, the supply of clean water remains a problem in the college which has made the greening project go slow. We hoped to complete the supply of sufficient clean water in the financial year 2021/2022 but it was not possible because of insufficient financial support in the last budget. The College is also expected to record improved enrolment of trainees because marketing and advertising budget has been put in place. The youth Mtaani project has come in handy and assisted the college in clearing the bush to make the college playing grounds habitable.

Finally, I wish to acknowledge with gratitude the Government of Kenya, through the Ministry of Education for its goodwill and immense support to the institute as it strives to implement its strategic goals and objectives. I also wish to appreciate the vital support that we have continued to receive from our students, customers, staff and sponsors. The Board of Governors shall continue to provide the much-needed resources, advice and foresight to support the Institute and ensure it grows to the next level.

Thank you.

  
**LEORNARD S. NGALUMA, MBS**  
**B.O.G CHAIRMAN**

## **6. Report of the Senior Principal**

### **Dear Stakeholder,**

Taveta TVC has positioned itself as an institution of first choice in the training of globally highly skilled technical graduates in line with the Institute growth aspirations, its strategic plan (2021-2026) has been aligned with the vision 2030 and the BETA agenda of the Government of Kenya as outlined in the constitution of Kenya 2010. Our commitment is to be a leader in provision of quality technical and vocational training in Kenya and beyond

The institute's core values: Professionalism, Respect for diversity, integrity, provision of equal opportunities for all and Prudent environmental management have played a great role in realizing the Institute's dream of impacting skills for self-reliance.

### **Operational and Financial Performance**

The Institute is committed to deliver on its key mandate to be a leader in provision of quality technical and vocational training in Kenya and beyond in line with the government policy so as to ensure that its graduates are of world class standards.

The financial year 2024/2025 recorded a surplus of **KShs 7,890,841**

### **Compliance with Statutory Requirements**

During the Financial Year under review, the Institute complied with its statutory obligations including compliance with remittance of PAYE, SHIF and NSSF within the stipulated deadlines.

### **Major risks and challenges facing the institute**

Taveta TVC continues to face pressure on existing resources due to inadequate infrastructure such as lack of hostels for our trainees, insufficient man-power both teaching and nonteaching. Access to clean water and sanitary services is a major challenge to the institution. Budgetary constraints have contributed to failure of projects including hostels, sports facilities, construction of a restaurant, which are in dire need of funding to realize the aspired benefits. Inadequate funds arising from reduction of capitation per trainee by the government contributed greatly in failure to achieve some of the budgetary plans for the year.

### **Future outlook**

We look forward to harnessing our strategic plan (2021-2026) to guide the Institute's future developments, improve service delivery and achieve set goals and objectives. Our ultimate objective is to facilitate the acquisition of high-quality technical skills and knowledge in line with the government policy so as to ensure that its graduates are of world class standards.

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The institute is working hand in hand with all stakeholders to ensure we get more courses accredited, a move that is aimed to increase student enrollment in the future, attain adequate staffing levels, teaching and non-teaching and improve learning infrastructure.

**Conclusion**

I take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

I commend the Board, Management and staff for their tireless efforts and commitment to the attainment of the institute goals. I am truly honored to serve alongside you as we endeavor to redefine the role played by Taveta TVC and TVETs and drive the Institute towards realizing its vision, strategic goals and objectives.

On behalf of Board, Management, Staff and Students, I would like to appreciate the support accorded to Taveta TVC by the GOK through The National Treasury & the Ministry of Education, State Department for Vocational and Technical Training, the County Government and all our sponsors and development partners. We look forward to your continued support and commitment.



**Martin Makokha**  
**Principal/Secretary – Board of Governors**

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**7. Statement of Performance against Predetermined Objectives**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Taveta Technical and Vocational College develops its annual work plans based on 4 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Institute achieved its performance targets set for the FY 2024/2025 period for its 4 strategic pillars, as indicated in the table below:

| <b>Strategic Pillar</b> |                          | <b>Objective</b>                         | <b>Key Performance Indicators.</b>                   | <b>Activities</b>   | <b>Achievements</b>  |
|-------------------------|--------------------------|--|--|---|--|
| Pillar 1:               | Financial sustainability | Improve financial management             | Timely payment of suppliers<br>Better infrastructure | <ul style="list-style-type: none"> <li>• Introduce Income Generating Units</li> <li>• Develop alternative sources of funding</li> </ul> | Setting up of food and beverage.<br>Brought on board more sponsors for our trainees i.e world vision |
| Pillar 2:               | ICT                      | To fully integrate ICT in the Institute. | Number of ICT Equipment purchased and installed.     | <ul style="list-style-type: none"> <li>• Installation of internet.</li> <li>• Introduction of management</li> </ul>                     | Internet installed<br>ERP software introduced  |
| Pillar 3:               | Training and Learning    | To strengthen corporate image            | Number of marketing programmes implemented           | <ul style="list-style-type: none"> <li>• Review and implement marketing plan.</li> </ul>  | Establishment of website.<br>More courses accredited   |
| Pillar 4:               | Human Resource Capacity  | Improve service delivery                 | Increasing number of staff                           | <ul style="list-style-type: none"> <li>• Lobby the MoE for additional trainers</li> <li>• Employ more BOG staff</li> </ul>              | More MoE staffs deployed   |

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|                     |   |  |   |  |  |
|---------------------|---|--|---|--|--|
| Education           | 1.Increase access to education at tertiary level                | Increased enrolment in tertiary institutions                               | number of usable physical infrastructure build in the institution ie, twin workshop                               | In the FY 2024/ 2025 Currently we have 420 trainees in our institution   | Addition of infrastructure increases access to education |
| Security            | 1.Enhanced security and peaceful coexistence in the institution | Increased and effective service delivery                                   | Fencing of the institution funded by Taveta National Government Constituencies Development Fund gate and security | Security at the gate and its environs enhanced   | Security is enhanced across the school compound          |
| Environment         | 1.Promotion of environmental conservation initiatives           | Installation of water tank and gutters at the institution to improve water | Improved water availability and trees planted in line with vision 2030  | Availability of water enhanced and compound well covered with trees  | Environment is conserved                                 |
| Sports              | Promotion of sports and cultural activities                     | Increased participation in sports and cultural activities                  | Number of sports activities supported   | The institution has very strong team which participated in regional level  | Enhanced tapping of talents in the institution           |
| Disaster Management | Promotion of disaster mitigation strategies                     | Increased awareness of disaster preparedness measures                      | Number of public awareness meetings and training conducted  | In the FY 2024/ 2025 we conducted 5 ward meetings where members of the public were sensitized on disaster mitigation measures focusing on floods, drought, fire and earthquakes. | Enhanced measures to control disaster                    |

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|                   |   |   |  |   |                                       |
|-------------------|---|---|--|---|---------------------------------------|
| Youth Empowerment | Creation of employment activities for the youth | Establishment of constituency innovation hubs | Number of ICT hubs established in the constituency | We encourage our ICT students to visit constituency innovation hubs where youths are trained on use of internet to do online jobs | Youths are sensitized on job creation |
|-------------------|---|---|--|---|---------------------------------------|

## **8. Corporate Governance Statement**

Taveta TVC is committed to the values and principles of good corporate governance as an integral part of corporate culture and guides the manner in which its Governors, management, staff and students conduct the business of the institute. As a public institute dedicated to providing quality service to its stake holders, the Institutes decisions are guided by the core tenets prescribed in the Public Officers Ethics Act, The leadership and Integrity Act, The Authorities Code of Conduct, Corporate Governance Guidelines Board and Board Committee Charters. The Institute endeavors to develop, strengthen and sustain the trust that the Government, employees, students and general public has placed in it. The Board of Governors is committed to regular evaluation of national and international emerging standards in a responsible, transparent and efficient management, with a view of enhancing corporate governance at the Institution and consistently delivers on its statutory mandate.

### **Role of the Board of Governors**

The primary function of the Board of Governors is to provide effective strategic leadership and direction to enhance the long-term achievement of the Institute's strategic plan. The strategic plan overall objective is to enhance the achievement of the institute's objectives on priority basis and in line with the policies of the Ministry of Education (MOE), the Vision 2030 and the BETA agenda of the government.

### **The Board Size, Composition and Independence**

The Board of Governors is made up of 9 members. Its composition draws a perfect mix of Qualifications, skills, experience, training and proficiencies in various fields.

### **Board Remunerations**

Board members are appointed by the Ministry of Education and serve a maximum of two terms of three years each. Board remuneration is in the form of sitting allowances for physical and virtual meetings attended. Subsistence/perdiem and transport allowances are paid depending on their geographical locations.

## **9. Management Discussion and Analysis**

Taveta Technical and Vocational College continues to deliver on its key mandate to be a leader in provision of quality technical and vocational training in Kenya and beyond in line with the government policy so as to ensure that its graduates are of world class standards. .

In line with the Institute growth aspirations, the strategic plan (2021-2026) is aligned with the vision 2030, the BETA Agenda and other strategic priorities of the government as outlined in the constitution of Kenya 2010.

The Institute's core values have played a great role in realizing the Institute's dream of impacting skills for self-reliance.

During the Financial Year under review, the Institute complied with its statutory obligations including compliance with remittance of PAYE, SHIF and NSSF within the stipulated deadlines.

Taveta TVC continues to face pressure on existing resources due to inadequate infrastructure such as lack of hostels for our trainees, insufficient man-power both teaching and nonteaching, sports facilities which are in dire need of funding to realize the aspired benefits,

Access to clean water and sanitary services is a major challenge to the institution. Budgetary constraints have contributed to failure of projects including hostels, sports facilities, and construction of Jitume lab which is at its initial stages of being set up. Inadequate funds arising from reduction of capitation per trainee by the government contributed greatly in failure to achieve some of the budgetary plans for the year.

We look forward to harnessing our strategic plan (2021-2026) to guide the Institute's future developments, improve service delivery and achieve set goals and objectives. For this we anticipate an increase in student enrollment in the future, attain adequate staffing levels, teaching and non-teaching and improve learning infrastructure.

We take this opportunity to thank our stakeholders for their continued support and partnership in the realization of our mandate.

## **10. Environmental And Sustainability Reporting Statement**

Taveta TVC exists to impact lives. This is our goal; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer first, delivering relevant technical and practical training, and improving operational excellence. Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

### **Sustainability strategy and profile**

The management of Taveta TVC through its Board of Governors is committed towards achieving sustainability in its operations. They have put in measures to ensure minimal interference and maximum focus towards achieving its strategic goals. The management has put in great strides to gain political goodwill that is vital for the existence, growth and expansion of the institution. There have been engagements with local leaders on issues affecting the institute.

### **Environmental performance**

Taveta TVC takes interest in environmental conservation and management. It boasts a strong department managing environmental conservation, engaging in activities such as tree planting activities at least once every term, an activity that brings on board both the management and the students.

The students also participate in tree planting and waste collection and management activities within the surrounding environments especially during the college community days in an attempt to speed up environmental conservation and keep the environment safe.

### **Employee welfare**

The institute has no human resource department due to budgetary constraints but works closely with the administration and board of directors to ensure quality staff additions to the institution. Staffs are hired on merit through a thorough recruitment process starting from the advertisements to shortlisting to interviews.

The Institute staff gender ratio is balanced with vulnerable people and women given priority during the recruitment process.

### **Market place practices-**

The organisation should outline its efforts to:

a. Responsible competition practice.

The institute upholds the principles of fair competition as outlined in the constitution. We promote respect and integrity among our competitors to help build a collaborative and supportive business community where institutions can strive together.

We plan on engaging in strategic partnership, knowledge sharing and collective problem solving so as to enhance innovation and create resilience and interconnect with other institutions.

b. Responsible Supply chain and supplier relations

The institute has committed to maintain good working relationships with its creditors by ensuring equal and fair treatment when it comes to award of tenders. It also operates in line with the public procurement laws. Creditors are paid on time following availability of funds. The creditors are however required to provide high quality goods and services.

c. Responsible marketing and advertisement

The Institute has continued to conduct extensive marketing of its services through legal and reputable print and social media sources. There has also been door to door distribution of brochures, career talks in the surrounding secondary schools as it strives to have a personal touch with the outside community and clients. Prompt feedback and good customer relationships also enables the institute to maintain a good relationship with its customers

d. Product stewardship

The institute offers high quality accredited academic programs and has highly qualified trained personnel. Students are given an equal opportunity to participate in sports, games and other extra-curricular activities. Staffs are given an equal opportunity in their career advancements by attending seminars, workshops and trainings.

### **Corporate Social Responsibility / Community Engagements**

In line with its mission and values, Taveta TVC is sensitive to the impact of our activities on our students, employees, partners and other stakeholders, as well as on the community and its environment.

The College is committed to maintaining standards, respect and accountability across all its activities, including: treating employees fairly and with respect, support staff development through allowing staff to attend trainings and workshops, volunteering in community, county, and national government activities

The student council has a community day where students engage in corporate social activities such as visiting children's home within the surrounding in coordination with the dean of students and other trainers.

The College purposes to continue collaborating with all stakeholders on issues that benefit the development of the country as well as giving back to the society. TTVC therefore shall continue to play its crucial role towards attainment of vision 2030 and the BETA Agenda as spelt out clearly in the Government priorities areas under the social, political and economic pillars.

## **11. Report of the Board of Governors**

The Board members submitted their report together with the audited financial statements for the year ended June 30 2024, which show the state of the Taveta Technical and Vocational College affairs.

### **Principal activities**

The principal activities of Taveta Technical and Vocational College continue to be training in Vocational and Technical Education.

### **Results**

The results of Taveta Technical and Vocational College for the year ended 30 June 2025 are set on page 1-5.

### **Board of Governors**

The members of the Board who served during the year are shown on page ix.

### **Auditors**

The Auditor General is responsible for the statutory audit of Taveta Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....  
**Secretary of the Board**

**Taveta TVC**

**Date:** 2/12/2025

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

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**12. Statement of Board of Governors Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the council members to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of TTVC at the end of the financial year and the operating results of TTVC for that year. The Council members are also required to ensure that TTVC keeps proper accounting records which disclose with reasonable accuracy the financial position of TTVC. The council members are also responsible for safeguarding the assets of TTVC. The Council members are responsible for the preparation and presentation of TTVC financial statements, which give a true and fair view of the state of affairs of Taveta TVC for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Taveta TVC, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

In preparing the financial statements, the Principal has assessed Taveta TVC's ability to continue as a going concern. Nothing has come to the attention of the Board members to indicate that Taveta TVC will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

Taveta TVC financial statements were approved by the Board on 28/8 2025 and signed on its behalf by:

.....  
**Name**  
**Chairperson of the Board**

.....  
**Name**  
**Accounting Officer/Chief Principal**

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON TAVETA TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025**

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Taveta Technical and Vocational College set out on pages 1 to 43, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

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

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

### **Basis for Qualified Opinion**

#### **1. Inaccurate Statement of Changes in Net Assets**

The statement of changes in net assets reflects net assets balance as at 30 June, 2025 of Kshs.52,546,505. The balance includes opening balance of Kshs.44,155,836 which differs with prior year audited balance of Kshs.41,947,782 resulting in an unexplained variance of Kshs.2,208,054. Further, the statement reflects Kshs.8,914,233 in respect of accumulated fund which differs with the recalculated balance of Kshs.8,478,366 resulting in a difference of Kshs.435,867. In addition, the opening balance for accumulated fund shown as Kshs.587,525 differ with prior year audited balance of Kshs.175,393. No explanation was given for the variances.

Additionally, the statement is not prepared in compliance with the prescribed format for presentation of financial statements by omitting the comparatives section.

In the circumstances, the accuracy and completeness of the net assets balance of Kshs.52,546,505 could not be confirmed.

#### **2. Inaccurate Statement of Cash Flows**

The statement of cash flows reflects cash and cash equivalents as at 30 June, 2025 of Kshs.1,066,166. However, recalculation shows Kshs.7,784,886 resulting in a variance of Kshs.6,718,720. No explanation was provided for the variance.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.1,066,166 could not be confirmed.

#### **3. Unsupported Property, Plant and Equipment Balance**

The statement of financial position and Note 22 to the financial statements disclosed property, plant and equipment balance of Kshs.34,914,339. However, the movement schedule was not prepared in line with the prescribed format for reporting property, plant and equipment. Further, recalculation of the net balance of buildings shows Kshs.33,959,378 resulting in a variance of Kshs.509,221.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.34,914,339 could not be confirmed.

#### **4. Unsupported Expenditure on Board Expenses**

The statement of financial performance and Note 15 to the financial statements reflects board/council expenses of Kshs.400,300. Review of the expenditure revealed that payments were not supported by board notices, board minutes, signed attendance registers and evidence of deduction and remittance of applicable taxes.

In the circumstances, the accuracy, completeness and authenticity of the board/council expense of Kshs.400,300 could not be confirmed.

#### **5. Inaccuracies in Presentation of Financial Statements**

Review of the financial statements for the year ended 30 June, 2025 revealed the following issues on non-compliance with the prescribed reporting template and other financial presentation inaccuracies as highlighted below:

- i. The reporting template requires that Management reconciles the actual budget surplus amounts and cash and cash equivalents balance. The reconciliation under Note 26 to the financial statements is completed as required.
- ii. The reported surplus of Kshs.7,890,841 had not been reconciled to the net cash flow from operating activities as required by the reporting template.
- iii. The financial statements are signed but the names of the signatories and the ICPAK number for the finance officer is not indicated.
- iv. The statement of comparison of budget and actual amounts reflects total budgeted income of Kshs.33,847,592 while audit re-computation shows Kshs.34,347,592 resulting in a variance of Kshs.500,000.

In the circumstances, the accuracy and compliance with the prescribed format for presentation of financial statements could not be confirmed.

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

#### **Emphasis of Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipt budget and actual on a comparative basis of Kshs.33,847,592 and Kshs.19,162,669 respectively resulting in an income shortfall of Kshs.14,684,923 or 43% of the budget. Similarly, Management spent Kshs.10,248,436 against actual receipts of

Kshs.19,162,669 resulting in under absorption of Kshs.8,914,233 or 47% of the actual receipts.

The under realization and under absorption affected implementation of planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the College in 2024/2025 revealed that numerous matters remained unresolved as detailed in attached **Appendix**.

### **Other Information**

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

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

### **Basis for Conclusion**

#### **Breach of Data Protection Act**

Review of records revealed that Management collects, stores, and manages students' personal data through the INTELLIMIS ERP System. The system processes sensitive student information, including names, phone numbers, contact details, and location information. However, Management did not provide a valid certificate of registration from the Office of the Data Protection Commissioner (ODPC) confirming compliance as a registered data controller or data processor as required under the Act. This is contrary to Section 18(1) of the Data Protection Act, 2019 which provides that no person shall act as a data controller or data processor unless registered with the Data Commissioner. Registration ensures that entities collecting and processing personal data are accountable for protecting the privacy and security of such information in accordance with the principles of data protection.

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 of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Board Charter and Work Plan**

Analysis of board operations revealed that the Board neither had an approved board charter outlining responsibilities and governance structures nor annual board work plan detailing its planned activities for the financial year.

In the circumstances, the effectiveness of risk management and governance could not be confirmed.

### **2. Weak Governance on Audit and Risk Management Framework**

Review of the governance and internal control structures of the College revealed significant weaknesses in risk management systems. Although the College reported having four Board committees, including audit and risk management committee, no evidence of committee activities, minutes, or board expenses was provided for audit verification. Further, the Corporate Governance Statement lists only three committees, indicating inconsistencies and implying that no functional audit committee existed during the year. Further, the College did not provide a risk management policy or demonstrated the existence of fraud prevention mechanisms.

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

### **3. Lack of a Finance Policy**

Review of documents provided for audit revealed that the Management did not have a formal finance policy. Therefore, key financial processes lacked standardized procedures, including fees receipting and recording, banking and payment processes, debtor management and payables management.

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

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

## **Responsibilities of Management and Board of Management**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

05 December, 2025

## Appendix

| No. | Financial Year | Audit Issue   |
|-----|----------------|---|
| 1   | 2023/2024      | Variance between financial statements and supporting schedules          |
| 2   | 2023/2024      | Variance in the comparative balances                                    |
| 3   | 2023/2024      | Inaccurate property, plant and equipment balances                       |
| 4   | 2023/2024      | Variance between the financial statement balances                       |
| 5   | 2023/2024      | Accuracy of cash and cash equivalent                                    |
| 6   | 2023/2024      | Unsupported employee costs  |
| 7   | 2023/2024      | Unsupported trade and other payables from exchange transactions         |
| 8   | 2023/2024      | Budgetary Control and Performance                                       |
| 9   | 2023/2024      | Non- Compliance with prescription on board of governance and committees |
| 10  | 2023/2024      | Irregular withdrawals from the exam fee bank account                    |
| 11  | 2023/2024      | Irregular Procurement of ERP System                                     |
| 12  | 2023/2024      | Lack of approved budget   |
| 13  | 2023/2024      | Unconfirmed approval of the financial statement                         |
| 14  | 2023/2024      | Failure to Constitute Board of Survey                                   |
| 15  | 2023/2024      | Lack of Risk Management Policy  |
| 16  | 2023/2024      | Lack of Effective Accounting Data and System Management                 |
| 17  | 2023/2024      | Lack of approved staff establishment and salary structure               |
| 18  | 2023/2024      | Lack of key departments   |
| 18  | 2023/2024      | Approval of key Management Policies                                     |

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


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

|  | Notes | FY 2023/2025      | FY 2023/2024      |
|--|-------|-------------------|-------------------|
|  |       | Kshs              | Kshs              |
| <b>Revenue from Non-Exchange transactions</b>            |       |                   |                   |
| Transfers from other National Government entities-grants | 6     | 2,500,000         | 2,500,000         |
|  |       | <b>2,500,000</b>  | <b>2,500,000</b>  |
| <b>Revenue from Exchange transactions</b>                |       |                   |                   |
| Rendering of services- fees from students                | 10    | 16,662,669        | 10,970,175        |
| Other income(cattle grazing)                             | 11    | -                 |                   |
| <b>Revenue from Exchange transactions</b>                |       | <b>16,662,669</b> | 10,970,175        |
| <b>Total Revenue</b>                                     |       | <b>19,162,669</b> | <b>13,470,175</b> |
|  |       |                   |                   |
| <b>Expenses</b>  |       |                   |                   |
| Use of goods and services                                | 13    | 7,844,386         | 8,167,823         |
| Employee costs   | 14    | 1,931,615         | 3,431,937         |
| Board /Council Expenses                                  | 15    | 400,300           | 506,700           |
| Depreciation and amortization expense                    | 16    | 1,023,393         | 708,000           |
| Repairs and maintenance                                  | 17    | 72,135            | 68,190            |
| <b>Total Expenses</b>                                    |       | <b>11,271,828</b> | <b>12,882,650</b> |
|  |       |                   |                   |
| <b>Net surplus/(deficit) for the year</b>                |       | <b>7,890,841</b>  | <b>587,525</b>    |

The Financial Statements set out on pages 1 to 5 were signed by:

  
 .....  
**Chairman of Board**

**Date** 2/12/2025

  
 .....  
**Principal**

**Date** 2/12/2025

  
 .....  
**Finance Officer**

**ICPAK No**  
**Date** 2/12/2025

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

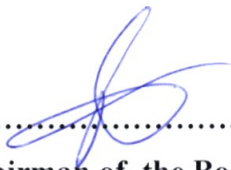
**15. Statement of Financial Position As At 30th June 2025**

| Description   | Notes | FY2024/2025       | FY2023/2024       |
|---|-------|-------------------|-------------------|
|   |       | Kshs              | Kshs              |
| <b>Assets</b>   |       |                   |                   |
| <b>Current Assets</b>                                     |       |                   |                   |
| Cash and cash equivalents                                 | 18    | 1,066,166         | 175,393           |
| Current portion of receivables from exchange transactions | 19    | 15,275,344        | 6,811,106         |
| Receivables from non-exchange transaction                 | 20    | 500,000           | 500,000           |
| Inventory   | 21    | 304,303           | 404,303           |
| <b>Total Current Assets</b>                               |       | <b>17,145,813</b> | <b>7,890,802</b>  |
| <b>Non-Current Assets</b>                                 |       |                   |                   |
| Property, plant, and equipment                            | 22    | 34,914,339        | 35,556,083        |
| Intangible assets   | 23    | 1,043,792         | 1,304,740         |
| <b>Total Non-Current Assets</b>                           |       | <b>35,958,131</b> | <b>36,860,823</b> |
| <b>Total Assets</b>                                       |       | <b>53,103,944</b> | <b>44,751,625</b> |
| <b>Liabilities</b>  |       |                   |                   |
| <b>Current Liabilities</b>                                |       |                   |                   |
| Trade and other payables from exchange transactions       | 24    | 537,439           | 595,789           |
| Refundable deposits from customers                        | 25    | 20,000            | -                 |
| <b>Total Current Liabilities</b>                          |       | <b>557,439</b>    | <b>595,789</b>    |
| <b>Net Assets (A-B)</b>                                   |       | <b>52,546,505</b> | <b>44,155,836</b> |
| <b>Represented By:</b>                                    |       |                   |                   |
| Reserves  |       | 44,655,664        | 43,568,311        |
| Accummulated surplus                                      |       | 7,890,841         | 587,525           |
| <b>Total Net Assets and Liabilities</b>                   |       | <b>52,546,505</b> | <b>44,155,836</b> |

The Financial Statements set out on pages 1 to 5 were signed by:

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

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.....  
**Chairman of the Board**

**Date** 2/12/2025



.....  
**Principal**

**Date** 2/12/2025



.....  
**Finance Officer**

**ICPAK No**

**Date** 2/12/2025

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

| Description  | Capital reserve   | Accumulated Fund | Capital Grants/Fund | Total             |
|--|-------------------|------------------|---------------------|-------------------|
| <b>At June 30, 2024</b>                                    | <b>43,568,311</b> | <b>587,525</b>   | <b>-</b>            | <b>44,155,836</b> |
| Revaluation gain   |                   |                  |                     |                   |
| Surplus/(deficit) for the year                             | -                 | 7,890,841        | -                   | 7,890,841         |
| Capital grants received during the year                    |                   |                  |                     |                   |
| Transfer of depreciation/amortisation from capital fund to |                   |                  |                     |                   |
| Retained earnings  | -                 | -                | -                   | -                 |
| <b>At June 30, 2025</b>                                    | <b>43,568,311</b> | <b>8,914,233</b> | <b>-</b>            | <b>52,546,505</b> |

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

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

| Description  | Note  | FY                | FY                |
|--|-------|-------------------|-------------------|
|  |       | 2024/2025         | 2023/2024         |
|  |       | Kshs              | Kshs              |
| <b>Cash flows from operating activities</b>                  |       |                   |                   |
| <b>Receipts</b>  |       |                   |                   |
| Transfers from other National Government entities            | 6     | 2,500,000         | 2,500,000         |
| Rendering of services- fees from students                    | 10    | 16,662,669        | 10,970,175        |
| Other incomes  |       |                   |                   |
| <b>Total Receipts</b>  |       | <b>19,162,669</b> | <b>13,470,175</b> |
| <b>Payments</b>  |       |                   |                   |
| Use of goods and services                                    | 13    | 7,844,386         | 8,167,823         |
| Employee costs   | 14    | 1,931,615         | 3,431,937         |
| Depreciation and amortisation                                | 16    |                   | 708,000           |
| Board Expenses   | 15    | 400,300           | 506,700           |
| Repairs and maintenance                                      | 17    | 72,135            | 68,190            |
| <b>Total Payments</b>  |       | <b>10,248,436</b> | <b>12,882,650</b> |
| <b>Net Cash Flows from operating activities</b>              | 26    | <b>8,914,233</b>  | <b>587,525</b>    |
| <b>Cash flows from investing activities</b>                  |       |                   |                   |
| Purchase of property, plant, equipment and intangible assets | 22&23 | 1,304,740         | 1,563,836         |
| Proceeds from sale of property, plant and equipment          |       |                   |                   |
| <b>Net cash flows used in investing activities</b>           |       | <b>1,304,740</b>  | <b>1,563,836</b>  |
| <b>Net Increase/(Decrease) in Cash and Cash equivalents</b>  |       | <b>8,914,233</b>  | <b>587,525</b>    |
| <b>Cash and Cash equivalents at 1 JULY 2024</b>              | 18    | 175,393           | 1,699,325         |
| <b>Cash and Cash equivalents at 30 JUNE 2025</b>             | 18    | <b>1,066,166</b>  | <b>175,393</b>    |

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

| Description  | Original budget   | Adjustments | Final budget      | Actual on comparable basis | Performance difference | Utilization Difference |
|--|-------------------|-------------|-------------------|----------------------------|------------------------|------------------------|
|  | a                 | b           | c=(a+b)           | d                          | e=(c-d)                | f=d/c*100              |
| <b>Revenue</b>   | <b>KShs</b>       | <b>KShs</b> | <b>KShs</b>       | <b>KShs</b>                | <b>KShs</b>            | <b>%</b>               |
| Transfers from other National Government entities        | 13,670,000        |             | 13,670,000        | 8,855,979                  | 4,814,021              | 67%                    |
| Grants from donors and development partners- equity Bank | 2,500,000         | 500,000     | 3,000,000         | 2,500,000                  | 500,000                | 83%                    |
| Other income(tenders)                                    | 0                 |             |                   |                            |                        |                        |
| Rendering of services- fees from students                | 17,677,592        |             | 17,677,592        | 7,806,690                  | 9,870,902              | 44%                    |
| <b>Total Income</b>                                      | <b>33,847,592</b> |             | <b>33,847,592</b> | <b>19,162,669</b>          | <b>14,684,923</b>      | <b>57%</b>             |
| <b>Expenses</b>  |                   |             |                   |                            |                        |                        |
| Use of goods and services                                | 29,501,192        |             | 29,501,192        | 7,844,386                  | 21,656,806             | 27%                    |
| Employee costs   | 2,726,400         |             | 2,726,400         | 1,931,615                  | 794,785                | 71%                    |
| Board /Council Expenses                                  | 1,520,000         |             | 1,520,000         | 400,300                    | 1,119,700              | 26%                    |
| Repairs and maintenance                                  | 100,000           |             | 100,000           | 72,135                     | 27,865                 | 72%                    |
| <b>Total expenses</b>                                    | <b>33,847,592</b> |             | <b>33,847,592</b> | <b>10,248,436</b>          | <b>23,599,156</b>      | <b>30%</b>             |
| <b>Surplus For the Period</b>                            |                   |             |                   |                            |                        |                        |

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**19. Notes to the Financial Statements**

**1. General Information**

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

**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 Taveta TVC accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Taveta TVC. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act 2013, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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**3. Adoption of New and Revised Standards**

*i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There are no new standards in the year ended 30th June 2024

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

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

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|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> |
| IPSAS 47:<br>Revenue                     | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>   |
| IPSAS 48: Transfer<br>Expenses           | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>   |
| IPSAS 49:<br>Retirement Benefit<br>Plans | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>  |

**iii. Early adoption of standards**

TTVC did not early-adopt any new or amended standards in year 2023/2024.

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**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

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**b) Budget information**

The original budget for FY 2024/2025 was approved by the Board on August 202. 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 no additional appropriations for the FY 2024/2025 budget. 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 5 of these financial statements.

**c) Taxes**

***Current income tax***

The Taveta TVC is exempt from paying taxes.

***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.

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**d) Investment property**

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

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful life, using the following annual rates:

| Item                     | Rates            |
|--------------------------|------------------|
| Capital work in progress | 0%               |
| Building                 | 2% straight line |
| Plant, Machinery & equip | 15%              |
| Furniture                | 10%              |
| Computers                | 20%              |

**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

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costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

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

**h) 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. *Taveta TVC* does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. 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.

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*Financial assets*

*Classification*

Taveta TVC 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.

**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**

Taveta TVC 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 are by management in determining the expected credit loss (ECL)

***Financial liabilities***

***Classification***

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

**j) Inventories**

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

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

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

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

**Inventories (Continued)**

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

**k) Provisions**

Provisions are recognized when *TTVC* 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 *TTVC* 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***

*TTVC* 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***

*TTVC* 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 *TTVC* 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 benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

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**m) Nature and purpose of reserves**

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

**n) Changes in accounting policies and estimates**

Taveta TVC 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**

Taveta TVC 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**

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

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**s) Service concession arrangements**

Taveta TVC 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, TTVC 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, TTVC 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, 2025

## **5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the *Taveta TVC* 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 Taveta TVC.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

### **Provisions**

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

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

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**6. Transfers from other National Government entities**

| Description                                  | 2024-2025         | 2023-2024        |
|--|-------------------|------------------|
|  | Kshs              | Kshs             |
| <b>Unconditional Grants</b>                  |                   |                  |
| Capitation Grants                            |                   |                  |
| Operational Grant                            | 2,500,0000        | 2,500,000        |
| Scholarship                                  |                   |                  |
| Other Grants                                 |                   |                  |
| <b>Total unconditional Grants</b>            | <b>2,500,0000</b> | <b>2,500,000</b> |
| <b>Total Government Grants and Subsidies</b> |                   |                  |

**(a) Transfers from other Government entities (Categorized)**

| Name of the Entity<br>Sending The Grant                     | Amount<br>recognized<br>to<br>Statement<br>of Financial<br>performance | Amount<br>deferred under<br>deferred income | Amount<br>recognised<br>in capital<br>fund. | Total<br>grant<br>income<br>during the<br>year | Comparative<br>FY 2023/2024 |
|---|--|---|---|--|-----------------------------|
|   | Kshs   | Kshs  | Kshs  | Kshs   | Kshs                        |
| State Department of<br>Technical and Vocational<br>Training |  |   |   | 2,500,0000                                     | 2,500,000                   |
| <b>Total</b>  | -  |   |   | <b>2,500,000</b>                               | <b>2,500,000</b>            |

The details of the reconciliation have been included under appendix ii

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**10. Rendering of Services**

| Description   | 2024/2025         | 2023/2024         |
|---|-------------------|-------------------|
|   |                   | KShs              |
| Tuition Fees  | 2,767,969.00      | 3,829,199         |
| Activity Fees                                       | 763,900           | 33,330            |
| Industrial Attachment Fees                          | 4,000             | 2,182             |
| Examination Fees                                    | 985,600           | 193,420           |
| Student ID  | 23,200            | -                 |
| Local Transport and Travel                          | 819,500           | 105,520           |
| Electricity Water and Conservancy                   | 830,128           | 16,320            |
| Insurance   | 51,400            |                   |
| food and beverage                                   |                   | 23,220            |
| Registration Fees                                   | 392,500           | 94,000            |
| bursary   | 493,342           | 36,000            |
| Students union                                      | 46,400            | 32,400            |
| lost item recovery                                  | 4,000             | 9,000             |
| tender  |                   | 5,000             |
| helb  | 3,565,980.00      | 1,279,561         |
| Opening balances                                    |                   | -                 |
| medical   | 83,800            | 11,300            |
| contingencies                                       | 23,833            | 6,400             |
| internet  | 69,600            | 3,460             |
| Nita  |                   | 7,500             |
| Tourism   |                   | 5,000             |
| TVET Fair   | 63500             | 500               |
| Supply Chain dpt                                    |                   | 6,000             |
| CBT   |                   | 1,000             |
| Electrical dpt                                      |                   | 1,000             |
| Equity bank   |                   | 716,500           |
| Other incomes                                       | 78,320            | -                 |
| Salary Advance                                      |                   | 36,000            |
| RMI   | 72,135            | 24,544            |
| personal emolument                                  | 720,716           | 627,818           |
| capitation  | 4,802,846         | 3,864,001         |
| <b>Total Revenue from The Rendering of Services</b> | <b>16,662,669</b> | <b>10,970,175</b> |

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**13. Use of Goods and Services**

| Description                           | 2024/2025 | 2023/2024<br>Kshs |
|---------------------------------------|-----------|-------------------|
| Teaching and learning materials       | 190,522   | 662,590           |
| Industrial attachment costs           |           | 24,504            |
| EWC                                   | 333,479   | 337,830           |
| Refreshments and Meals                | 209,770   | 156,080           |
| Activity                              | 419,855   | 500,368           |
| Professional and consultancy services | 417,900   | 409,550           |
| Seminars and Subscriptions            |           | 208,070           |
| Marketing and Advertising             | 151,570   | 34,580            |
| Examination fees                      | 3,314,525 | 803,924           |
| Audit fees                            | 56,400    | 14,000            |
| Travelling and accommodation          | 1,592,380 | 3,234,825         |
| Tvet Fair                             | 4,740     | 312,030           |
| Bursary                               |           | 227,600           |
| KUCCPS                                |           | 40,000            |
| NITA                                  | 1,550     | 16,200            |
| KATTI                                 | 79,750    | 184,934           |
| KRA                                   |           | 41,687            |
| Students Union                        | 44,020    | 66,180            |
| Admin Expenses                        | 97,026    | 438,898           |
| Printing and stationery               | 354,360   | 233,670           |
| Bank charges                          | 4,375     | 16,123            |
| Salary Advance                        |           | 25,000            |
| Sanitary Services                     |           | 18,680            |
| Equity                                |           | 50,000            |
| county govt                           |           | 7,000             |

**Taveta Technical and Vocational College**  
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|                                   |                  |                  |
|-----------------------------------|------------------|------------------|
| Fuel expenses                     | 43,466           | 23,500           |
| Interview expenses                | 14,775           | 80,000           |
| Skills development                | 300              |                  |
| License fees exp                  | 10,000           |                  |
| Insurance exp                     | 13,000           |                  |
| Postage exp                       | 12,313           |                  |
| Internet exp                      | 9,150            |                  |
| Training exp                      | 13,250           |                  |
| General expense                   | 121,000          |                  |
| Miscellaneous expenses            | 22,850           |                  |
| Telecommunication                 | 31,150           |                  |
| Pest control service              | 700              |                  |
| Electronic equipment              | 59,050           |                  |
| Health and safety                 | 7,000            |                  |
| Purchase of kitchen equipments    | 20,470           |                  |
| Machinery & equipments            | 8,800            |                  |
| Plastic water tanks & accessories | 29,410           |                  |
| Detergents                        | 750              |                  |
| Food and Beverage                 | 109,770          |                  |
| <b>Total good and services</b>    | <b>7,844,386</b> | <b>8,167,823</b> |

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**14. Employee Costs**

| Description   | 2024/2025        | 2023/2024        |
|---|------------------|------------------|
|   | Kshs             | Kshs             |
| Salaries and wages  | 1,684,282        | 3,188,204        |
| Employee related costs - contributions to pensions and medical aids | 217,733          | 243,733          |
| Casual Pay  | 29,600           |                  |
| Travel, motor car, accommodation, subsistence and other allowances  | -                | -                |
| Overtime payments   | -                | -                |
| <b>Employee Costs</b>   | <b>1,931,615</b> | <b>3,431,937</b> |

**15. Board Expenses**

| Description                  |                |                |
|------------------------------|----------------|----------------|
|                              | 2024/2025      | 2023/2024      |
|                              | KShs           | KShs           |
| Chairman's Honoraria         | -              | -              |
| Directors Emoluments         | -              | -              |
| BoG Allowances               | 385,300        | 506,700        |
| Other Board/Council Expenses | 15000          | -              |
| <b>Total</b>                 | <b>400,300</b> | <b>506,700</b> |

**16. Depreciation and Amortization expense**

| Description                                |                  |                |
|--|------------------|----------------|
|  | 2024/2025        | 2023/2024      |
|  | KShs             | KShs           |
| Property, plant and equipment              | 762,445          |                |
| Intangible assets                          | 260,948          | 708,000        |
| Investment property carried at cost        | -                |                |
| <b>Total depreciation and amortization</b> | <b>1,023,393</b> | <b>708,000</b> |

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**17. Repairs and Maintenance**

| Description                          | 2024/2025     | 2023/2024     |
|--------------------------------------|---------------|---------------|
|                                      | KShs          | KShs          |
|                                      | Property      | 23,335        |
| Equipment and machinery              | -             | -             |
| Furniture and fittings               | -             | -             |
| Environment                          | 48,800        | -             |
| <b>Total Repairs and Maintenance</b> | <b>72,135</b> | <b>68,190</b> |

**18. Cash and Cash Equivalents**

a)

| Description                            | 2024/2025            | 2023/2024      |
|--|----------------------|----------------|
|  | Kshs                 | Kshs           |
|  | Current Account(KCB) | 908,069        |
| Equity bank                            | 157,512              | -              |
| cash in hand                           | 585                  | 22,553         |
| <b>Total Cash and Cash Equivalents</b> | <b>1,066,166</b>     | <b>175,393</b> |

b) Detailed Analysis of Cash and Cash equivalents

| Financial Institution     | Account number | 2024/2025        | 2023/2024      |
|---------------------------|----------------|------------------|----------------|
|                           |                | Kshs             | Kshs           |
| <b>a) Current Account</b> |                |                  |                |
| Kenya Commercial Bank     | 1253860238     | 908,069          | 152,840        |
| Equity bank               |                | 157,512          |                |
| <b>Sub- Total</b>         |                | <b>1,065,581</b> | <b>152,840</b> |
| <b>b) Others(Specify)</b> |                |                  |                |
| Cash in Hand              |                | 585              | 22,553         |
| <b>Sub- Total</b>         |                | <b>585</b>       | <b>22,553</b>  |

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|                    |  |                  |                |
|--------------------|--|------------------|----------------|
| <b>Grand Total</b> |  | <b>1,066,166</b> | <b>175,393</b> |
|--------------------|--|------------------|----------------|

**19. Receivables from Exchange transactions**

**(a) Current Receivables from Exchange transactions**

| Description                          | 2024/2025         | 2023/2024        |
|--------------------------------------|-------------------|------------------|
|                                      | Kshs              | Kshs             |
| <b>Current Receivables</b>           | <b>Kshs</b>       | <b>Kshs</b>      |
| <b>Current Receivables</b>           |                   |                  |
| Student Debtors b/d                  | 6,811,106         | 6,811,106        |
| Student Debtors during the year      | 12,278,192        | -                |
| Student debtors paid during the year | (4,890,694)       |                  |
| Imprest debtor                       | 1,076,740         |                  |
| <b>Total Current Receivables</b>     | <b>15,275,344</b> | <b>6,811,106</b> |

**19 (b) Ageing Analysis of Receivables from Exchange transactions**

| Description        | 2024/2025        |                | 2023/2024        |                |
|--------------------|------------------|----------------|------------------|----------------|
|                    | Kshs             |                | Kshs             |                |
|                    | Current FY       | % of the total | Comparative FY   | % of the total |
| Less than 1 year   | 6,811,106        | 100            | 6,867,460        | 100            |
| Over 3 years       | -                | 0              |                  |                |
| <b>Total (a+b)</b> | <b>6,811,106</b> | <b>100</b>     | <b>6,867,460</b> | <b>100</b>     |

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**20.Receivables from Non-Exchange transactions**

| Description                         | FY 2024/2025   | FY 2023/2024   |
|-------------------------------------|----------------|----------------|
|                                     | Kshs           | Kshs           |
| <b>Current Receivables</b>          |                |                |
| Capitation Grants*                  | 500,000        | 500,000        |
| Transfers from Other Govt. entities |                |                |
| <b>Total Current Receivables</b>    | <b>500,000</b> | <b>500,000</b> |

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

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

| Description        | FY 2024/2025 |                | FY 2023/2024     |                |
|--------------------|--------------|----------------|------------------|----------------|
|                    | Kshs         |                | Kshs             |                |
|                    | Current FY   | % of the total | Comparative FY   | % of the total |
| 0-1 year           | 0            | 0              | 2,807,922        | 41             |
| Between 1- 2 years | 0            | 0              | 0                | 0              |
| Between 2-3 years  | 0            | 0              | 4,089,538        | 59             |
| Over 3 years       | 0            | 0              | 0                | 0              |
| <b>Total</b>       |              | <b>0</b>       | <b>6,897,460</b> | <b>100</b>     |

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20. Inventories

| <b>Description</b>   | <b>2024/2025</b> | <b>2023/2024</b> |
|--|------------------|------------------|
|  | <b>Kshs</b>      | <b>Kshs</b>      |
| Stationery B/d   | 404,303          | 404,303          |
| Less: Impairment allowance   | (100,000)        | -                |
| <b>Total Inventories at lower of Cost and Net Realizable Value</b> | <b>304,303</b>   | <b>404,303</b>   |

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**22. Property, Plant and Equipment**

| Cost                                | Land |                   | Motor vehicles | Furniture and fittings | Computers | Plant and equipment | Capital Work in progress |            |
|-------------------------------------|------|-------------------|----------------|------------------------|-----------|---------------------|--------------------------|------------|
|                                     | KShs | Buildings<br>KShs | KShs           | KShs                   | KShs      | KShs                | KShs                     | KShs       |
|                                     |      | 0.02              |                | 0.1                    | 0.2       | 0.15                | 0                        |            |
| <b>At 1 July 2022</b>               | -    | 51,733,330        | -              | -                      | -         | -                   | -                        | 51,733,330 |
| Additions                           | -    | 2,997,400         | -              | -                      | -         | -                   | -                        | 2,997,400  |
| Disposals                           | -    | -                 | -              | -                      | -         | -                   | -                        | -          |
| Transfers/Adjustments               | -    | -                 | -              | -                      | -         | -                   | -                        | -          |
| <b>At 30<sup>th</sup> June 2023</b> | -    | 54,730,730        | -              | -                      | -         | -                   | -                        | 54,730,730 |
| Additions                           | -    | 509,220           | -              | 189,226                | 84,400    | 184,250             | -                        | 967,096    |
| Disposals                           | -    | -                 | -              | -                      | -         | -                   | -                        | -          |
| Transfer/Adjustments                | -    | -                 | -              | -                      | -         | -                   | -                        | -          |
| <b>At 30<sup>th</sup> June 2024</b> | -    | 55,239,950        | -              | 189,226                | 84,400    | 184,250             | -                        | 55,697,826 |
|                                     |      |                   |                |                        |           |                     |                          | -          |
| <b>Depreciation And Impairment</b>  |      |                   |                |                        |           |                     |                          | -          |
| <b>At 1 July 2022</b>               | -    | 12,416,000        | -              | -                      | -         | -                   | -                        | 12,416,000 |
| Depreciation                        | -    | 6,567,688         | -              | -                      | -         | -                   | -                        | 6,567,688  |
| Disposals                           | -    | -                 | -              | -                      | -         | -                   | -                        | -          |
| Impairment                          | -    | -                 | -              | -                      | -         | -                   | -                        | -          |
| <b>At 30 Jun 2023</b>               |      | 18,983,688        | -              | -                      | -         | -                   | -                        | 18,983,688 |
| Depreciation                        | -    | 1,094,615         | -              | 18,923                 | 16,880    | 27,638              | -                        | 1,158,055  |

**Taveta Technical and Vocational College**  
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|                                    |   |                   |   |                |                |                |   |                   |
|------------------------------------|---|-------------------|---|----------------|----------------|----------------|---|-------------------|
| Disposals                          | - | -                 | - | -              | -              | -              | - | -                 |
| Impairment                         | - | -                 | - | -              | -              | -              | - | -                 |
| Transfer/Adjustment                | - | -                 | - | -              | -              | -              | - | -                 |
| <b>At 30<sup>th</sup> Jun 2024</b> | - | <b>20,078,303</b> | - | <b>18,923</b>  | <b>16,880</b>  | <b>27,638</b>  | - | <b>20,141,743</b> |
| <b>Net Book Values</b>             |   |                   |   |                |                |                |   | -                 |
| <b>At 30<sup>th</sup> Jun 2023</b> | - | <b>35,747,042</b> | - | -              | -              | -              | - | <b>35,747,042</b> |
| <b>At 30<sup>th</sup> Jun 2024</b> | - | <b>34,652,427</b> | - | <b>170,303</b> | <b>67,520</b>  | <b>156,613</b> | - | <b>35,556,083</b> |
|                                    |   |                   |   |                |                |                |   |                   |
| <b>At 1<sup>st</sup> July 2024</b> | - | <b>34,652,427</b> | - | <b>170,303</b> | <b>67,520</b>  | <b>156,613</b> | - | <b>35,556,083</b> |
| Additions                          | - | -                 | - | <b>87,700</b>  | <b>33,000</b>  |                | - | <b>120,700</b>    |
| Disposals                          | - | -                 |   |                |                |                |   |                   |
|                                    |   | <b>34,652,427</b> | - | <b>258,003</b> | <b>100,520</b> | <b>156,613</b> | - | <b>35,676,783</b> |
| <b>At 30 Jun 2025</b>              |   |                   |   |                |                |                |   |                   |
| Depreciation                       |   | (693,049)         |   | (25,800)       | (20,104)       | (23,492)       | - | (762,445)         |
| Disposals                          |   | -                 | - | -              | -              | -              | - | -                 |
| <b>At 30 Jun 2025</b>              |   | <b>34,468,599</b> | - | <b>232,203</b> | <b>80,416</b>  | <b>133,121</b> | - | <b>34,914,339</b> |

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**Notes to the Financial Statements (Continued)**

**32 (b) Property, Plant and Equipment at Cost**

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

| Cost                                | Land | Buildings  | Motor vehicles | Furniture and fittings | Computers | Plant and equipment | Capital Work in progress | Total      |
|-------------------------------------|------|------------|----------------|------------------------|-----------|---------------------|--------------------------|------------|
|                                     |      |            |                |                        |           |                     |                          | KShs       |
|                                     | KShs | KShs       | KShs           | KShs                   | KShs      | KShs                | KShs                     | KShs       |
|                                     |      | 0.02       |                | 0.1                    | 0.2       | 0.15                | 0                        |            |
| <b>At 1 July 2022</b>               | -    | 51,733,330 | -              | -                      | -         | -                   | -                        | 51,733,330 |
| Additions                           | -    | 2,997,400  | -              | -                      | -         | -                   | -                        | 2,997,400  |
| Disposals                           | -    | -          | -              | -                      | -         | -                   | -                        | -          |
| Transfers/Adjustments               | -    | -          | -              | -                      | -         | -                   | -                        | -          |
| <b>At 30<sup>th</sup> June 2023</b> | -    | 54,730,730 | -              | -                      | -         | -                   | -                        | 54,730,730 |
| Additions                           | -    | 509,220    | -              | 189,226                | 84,400    | 184,250             | -                        | 967,096    |
| Disposals                           | -    | -          | -              | -                      | -         | -                   | -                        | -          |
| Transfer/Adjustments                | -    | -          | -              | -                      | -         | -                   | -                        | -          |
| <b>At 30<sup>th</sup> June 2024</b> | -    | 55,239,950 | -              | 189,226                | 84,400    | 184,250             | -                        | 55,697,826 |
|                                     |      |            |                |                        |           |                     |                          | -          |
| <b>Depreciation And Impairment</b>  |      |            |                |                        |           |                     |                          | -          |
| <b>At 1 July 2022</b>               | -    | 12,416,000 | -              | -                      | -         | -                   | -                        | 12,416,000 |
| Depreciation                        | -    | 6,567,688  | -              | -                      | -         | -                   | -                        | 6,567,688  |
| Disposals                           | -    | -          | -              | -                      | -         | -                   | -                        | -          |

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|                                    |   |                   |   |                |                |                |   |                   |
|------------------------------------|---|-------------------|---|----------------|----------------|----------------|---|-------------------|
| Impairment                         | - | -                 | - | -              | -              | -              | - | -                 |
| <b>At 30 Jun 2023</b>              |   | <b>18,983,688</b> | - | -              | -              | -              | - | <b>18,983,688</b> |
| Depreciation                       | - | 1,094,615         | - | 18,923         | 16,880         | 27,638         | - | <b>1,158,055</b>  |
| Disposals                          | - | -                 | - | -              | -              | -              | - | -                 |
| Impairment                         | - | -                 | - | -              | -              | -              | - | -                 |
| Transfer/Adjustment                | - | -                 | - | -              | -              | -              | - | -                 |
| <b>At 30<sup>th</sup> Jun 2024</b> | - | <b>20,078,303</b> | - | <b>18,923</b>  | <b>16,880</b>  | <b>27,638</b>  | - | <b>20,141,743</b> |
| <b>Net Book Values</b>             |   |                   |   |                |                |                |   | -                 |
| <b>At 30<sup>th</sup> Jun 2023</b> | - | <b>35,747,042</b> | - | -              | -              | -              | - | <b>35,747,042</b> |
| <b>At 30<sup>th</sup> Jun 2024</b> | - | <b>34,652,427</b> | - | <b>170,303</b> | <b>67,520</b>  | <b>156,613</b> |   | <b>35,556,083</b> |
|                                    |   |                   |   |                |                |                |   |                   |
| <b>At 1<sup>st</sup> July 2024</b> | - | <b>34,652,427</b> | - | <b>170,303</b> | <b>67,520</b>  | <b>156,613</b> |   | <b>35,556,083</b> |
| Additions                          | - | <b>509,220</b>    | - | <b>87,700</b>  | <b>33,000</b>  |                |   | <b>120,700</b>    |
| Disposals                          | - | -                 |   |                |                |                |   |                   |
|                                    |   | <b>34,468,599</b> | - | <b>258,003</b> | <b>100,520</b> | <b>156,613</b> |   | <b>35,676,783</b> |
| <b>At 30 Jun 2025</b>              |   |                   |   |                |                |                |   |                   |
| Depreciation                       |   | (693,049)         |   | (25,800)       | (20,104)       | (23,492)       | - | (762,445)         |
| Disposals                          |   | -                 | - | -              | -              | -              | - | -                 |
| <b>At 30 Jun 2025</b>              |   | <b>34,468,599</b> | - | <b>232,203</b> | <b>80,416</b>  | <b>133,121</b> | - | <b>34,914,339</b> |

**Taveta Technical and Vocational College**  
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23. Intangible assets

| Description                        | 2024/2025           | 2023/2024           |
|------------------------------------|---------------------|---------------------|
|                                    | KShs                | KShs                |
| <b>Cost</b>                        | <b>2,958,000.00</b> | <b>2,958,000.00</b> |
| <b>At beginning of the year</b>    | 1,258,000.00        | 1,258,000.00        |
| Additions                          |                     |                     |
| <b>At end of the year</b>          | 1,258,000.00        | 1,258,000.00        |
| Additions—internal development     | 596,740.00          | 596,740.00          |
| <b>At end of the year</b>          | 1,854,740.00        | 1,854,740.00        |
| <b>Amortization and impairment</b> |                     |                     |
| <b>At beginning of the year</b>    | 1,304,740.00        | 1,700,000.00        |
| Amortization and impairment        | 260,948.00          | 550,000.00          |
| <b>At end of the year</b>          | 1,043,792.00        | 2,250,000.00        |
| <b>NBV</b>                         | 1,043,792.00        | 1,304,740.00        |

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**24. Trade and Other Payables**

| Description                           | 2023/2024        |                       | 2022/2023        |                       |
|---------------------------------------|------------------|-----------------------|------------------|-----------------------|
|                                       | KShs             |                       | KShs             |                       |
|                                       |                  |                       |                  |                       |
| HELB                                  | 44,345           |                       | 44,345           |                       |
| Fees paid in advance                  | 227,141          |                       | 227,141          |                       |
| Unknown Source                        | 20,000           |                       | 20,000           |                       |
| UNES BOOKSTORE                        | 304,303          |                       | 304,303          |                       |
| Trade creditor paid during the year   | (58,350)         |                       | -                |                       |
| <b>Total Trade and Other Payables</b> | <b>537,439</b>   |                       | <b>575,789</b>   |                       |
| <b>Ageing analysis:</b>               | <b>2023/2024</b> | <b>% of the Total</b> | <b>2022/2023</b> | <b>% of the Total</b> |
| Under one year                        | -                | 48.9243452            | <b>968,447</b>   |                       |
| 1-2 years                             | 271,486          |                       |                  |                       |
| 2-3 years                             |                  | 51.0756548            |                  |                       |
| Over 3 years                          | 245,953          | 0                     |                  |                       |
| <b>Total (to tie to totals above)</b> | <b>517,439</b>   | <b>100</b>            | <b>968,447</b>   |                       |

**25. Refundable Deposits from Customers/Students**

| Description             | 2024/2025         |                       | 2023/2024             |                       |
|-------------------------|-------------------|-----------------------|-----------------------|-----------------------|
|                         | Kshs              |                       | Kshs                  |                       |
|                         |                   |                       |                       |                       |
| Caution money           | 20,000            |                       | 20000                 |                       |
| <b>Total Deposits</b>   | <b>20,000</b>     |                       |                       |                       |
| <b>Ageing analysis:</b> | <b>Current FY</b> | <b>% of the Total</b> | <b>Comparative FY</b> | <b>% of the Total</b> |
| Under one year          | -                 |                       |                       |                       |
| 1-2 years               |                   |                       |                       |                       |
| Over 3 years            | -                 | 0                     |                       |                       |

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|   |   |   |  |  |
|---|---|---|--|--|
| Total (to tie to totals deposits above) | - | 0 |  |  |
|---|---|---|--|--|

**26.Cash generated from operations.**

| Surplus for the year before tax                | 2024/2025 | 2023/2024 |
|--|-----------|-----------|
|  | KShs      | KShs      |
| <b>Adjusted for:</b>                           | -         | -         |
| Depreciation                                   |           |           |
| amortization                                   |           |           |
| <b>Working Capital Adjustments</b>             |           |           |
| Increase in Inventory                          |           |           |
| Increase in Receivables                        |           |           |
| Increase in Payables                           |           |           |
| Increase in Payments received in advance       |           |           |
| <b>Net Cash Flow from Operating Activities</b> |           |           |

**Notes to the Financial Statements (Continued)**

**27.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 institute'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 |
|--|-------------------|-----------------------|---------------|---------------|
| <b>At 30 June 2023</b>                 |                   |                       |               |               |
| Receivables from exchange transactions | 6,811,108         |                       | 0             | 0             |

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| Description   | Total amount<br>Kshs | Fully performing<br>Kshs | Past due<br>Kshs | Impaired<br>Kshs |
|---------------|----------------------|--------------------------|------------------|------------------|
| Bank balances | 106581               |                          |                  |                  |
| <b>Total</b>  | <b>6,986,501</b>     |                          |                  |                  |

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 institute 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 2024

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.

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

**(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<br>month<br>Kshs | Between 1-<br>3 months<br>Kshs | Over 5<br>months<br>Kshs | Total<br>Kshs |
|------------------------|------------------------------|--------------------------------|--------------------------|---------------|
| <b>At 30 June 2025</b> |                              |                                |                          |               |
| Trade Payables         |                              |                                | 537439                   | 537439        |
| <b>Total</b>           |                              |                                | <b>537439</b>            | <b>537439</b> |

**(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

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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.

**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.

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**Notes to the Financial Statements (Continued)**

**Financial risk management (continued)**

**Management of interest rate risk**

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

**iv) Capital Risk Management**

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

| Description                                 | 2024-2025 | 2023-2024         |
|---|-----------|-------------------|
|   | Kshs      | Kshs              |
| Revaluation Reserve                         |           |                   |
| Accumulated funds                           |           | 6,650,795         |
| Capital Reserve                             |           | 35,296,987        |
| <b>Total Funds</b>                          |           | <b>41,947,782</b> |
| Less: Cash and Bank Balances                |           | (175,393)         |
| Net Debt/(Excess Cash and Cash Equivalents) |           | 1,217             |
| <b>Gearing</b>                              | -0.002%   |                   |

28. 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 Taveta TVC, holding 100% of Taveta TVC equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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

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

| Description   | 2024/2025      | 2023/2024 |
|---|----------------|-----------|
|   | Kshs           | Kshs      |
| <b>Transactions with Related Parties</b>                |                |           |
| <b>B) Purchases from related parties</b>                |                |           |
| Purchases of electricity and water from KP&LCo & TAVEVO | 300,000        |           |
| <b>Total</b>  | <b>300,000</b> |           |
| <b>a) Grants /Transfers from the Government</b>         |                |           |
| Grants from National Govt                               | 2,500,000      |           |

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| Description                           | 2024/2025        | 2023/2024 |
|---------------------------------------|------------------|-----------|
|                                       | Kshs             | Kshs      |
| <b>Total</b>                          | <b>2,500,000</b> |           |
| <b>b) Key Management Compensation</b> |                  |           |
| Directors' emoluments                 | 506,700          |           |
| <b>Total</b>                          | <b>506,700</b>   |           |

**29.Events After the Reporting Period**

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

**30.Ultimate and Holding Entity**

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

**31.Currency**

The financial statements are presented in Kenya Shillings (KShs).

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**20. 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:<br>(Resolved / Not Resolved) | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|--|-----------------------------------|---|--------------------------------------|---|
| 4.1  | Lack of a risk management policy  | We concur with the audit observation that we do not have a Risk Management Policy but we have a risk management framework each year to undertake risk assessment. The issue has been communicated to the Board of Governors and we are hereby unanimously agreed to form a Risk Management policy to guide on management of risks as occurred in our institution. We are also ready to form risk management committee that will review the policy and report on risk matters on quarterly year basis. | Not resolved                         | 30 <sup>th</sup> June, 2025   |
| 4.2  | Lack of Segregation of Duties     | Inability to segregate duties was due to government failing to employ enough staff in the institution. Through the board of governance, we are in process of getting finance manager from the mentor institution as we wait for the   | Note resolved                        | 30 <sup>th</sup> June, 2025   |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments   | Status:<br><i>(Resolved / Not Resolved)</i> | Timeframe:<br><i>(Put a date when you expect the issue to be resolved)</i> |
|--|-----------------------------------|---|---|--|
|  |                                   | government to deploy one. We wrote to government on the same. |   |  |

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**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.



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**Principal/ Secretary to the Board.**

**Date**

2/12/2025

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**Appendix II- Inter-Entity Confirmation Letter**

MINISTRY OF EDUCATION

STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING

TAVETA TECHNICAL AND VOCATIONAL COLLEGE



P.O. BOX 441-80302

TAVETA

MOR: 0748290567

Email: [tavetatvc2018@gmail.com](mailto:tavetatvc2018@gmail.com)



The *Ministry of Education, State Department of Technical and Vocational Training* wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

| Confirmation of amounts received by Taveta Technical and Vocational college as at 30 <sup>th</sup> June 2025 |                          |  |                 |                       |                   |   |                    |
|--|--------------------------|--|-----------------|-----------------------|-------------------|---|--------------------|
| Reference Number   | Date Disbursed           | Amounts Disbursed by MoE State Department of TVT (Kshs) as at 30th June 2025 |                 |                       |                   | Amount Received by Taveta TVC               | Differences (Kshs) |
|  |                          | Recurrent (A)  | Development (B) | Inter-Ministerial (C) | Total (D)=(A+B+C) | (Kshs) as at 30 <sup>th</sup> June 2025 (E) | (F)=(D-E)          |
|  | 15th July 24             | 500,000  |                 |                       |                   | 500,000                                     | 0                  |
|  | 2 <sup>nd</sup> Oct. '24 | 500,000  |                 |                       |                   | 500,000                                     | 0                  |
|  | 21st Jan '25             | 500,000  |                 |                       |                   | 500,000                                     | 0                  |
|  | 04th Jun 25              | 500,000  |                 |                       |                   | 500,000                                     | 0                  |
|  | 17th Jun 25              | 500,000  |                 |                       |                   | 500,000                                     |                    |
| <b>Total</b>   |                          | <b>2,500,000</b>   |                 |                       |                   | <b>2,500,000</b>                            |                    |
| In confirm that the amounts shown above are correct as of the date indicated.                                |                          |  |                 |                       |                   |   |                    |

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|   |                                      |                                   |
|---|--------------------------------------|-----------------------------------|
| Head of Accountants department of beneficiary Entity: |                                      |                                   |
|   |                                      |                                   |
| Name: Josiah Manga                                    | Sign ..... <i>Josiah Manga</i> ..... | Date ..... <i>2/12/2025</i> ..... |

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