REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID
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THE AUDITOR-GENERAL

ON

KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2025

Kajiado East Technical & Vocational College
P.O. Box 483-01100 Kajiado | Tel: 0789 999770
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OFFICE OF THE AUDITOR GENERAL
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KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the kajiado east tvc financial resources.

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; Entity to insert all the relevant acronyms and key terms used in the annual report and financial statements)

2. Key Entity Information and Management

(a) Background information

The institution was incorporated/ established under the TVET Act/ 2013 Act on 23/01/2020. The entity is domiciled in Kenya . The institute is under the Ministry of Education. The College, registered with TVETA in accordance with the TVET Act 2013. The College is located in Kisaju Village, Enkeju Sub-Location, Kitengela Location/Ward, Kajiado east Sub-County, and Kajiado County. It is about 7km off Namanga main road. The College has admitted its pioneer trainees in Feb 2021 with eight department and various courses. It offer courses at three level Artisan, Certificate and Diploma both in Technical and Business related discipline courses.

(b) Principal Activities

The principal activity is organise, coordinate and monitor both trainers and non-teaching staffs to attain college mandate that is provide technical education and training in order equip trainees with innovative competencies for sustainable livelihood empowerment and transforms society.

(c) Key Management

The Kajiado East TVC day-to-day management is under the following key organs:

- Board of Governors
- Accounting officer/ Principal
- Deputy Principal Admin
- Deputy Principal Academics
- Registrar
- Dean of students
- finance officer
- Heads of departments

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Josyline Nkonge
2.	Deputy principal Finance	Ileve kimotho
3	Deputy principal Academics	Wesley mosigisi
4	Registrar (s)	Gilbert okeya
5	Dean of students	Alex Gitau
6	Head of Finance	Duncan kosen

Key Entity Information and Management

(e) Fiduciary Oversight Arrangements

- *Audit and risk committee activities*
- *Finance and operations committee activities*
- *Academic committee activities*
- *Development partner oversight activities*
- *Other oversight activities*

(f) Entity Headquarters

P.O. Box 483
Kajiado east Building
7km off Namanga Highway
Kajiado, Kenya

(g) Entity Contacts

Telephone: (254) 0789999770
E-mail: kajiadoeasttvc@gmail.com

(h) Entity Bankers

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

Kenya Commercial Bank
Kajiado branch
Kajiado, Kenya

(i) Independent Auditors

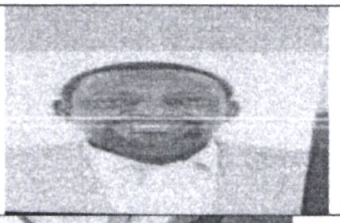
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

Key Entity Information and Management

(j) Principal Legal Adviser

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

3.The Board of Governors

Governor	Title	Photograph	Date of birth	Qualification	experien
1. Prof.Thomas a T O Mboya	Chairman		14/9/1969	PhD-Computational fluid dynamic	OVER YEARS
2. Mr. Julius kooki lenin	Member		17/5/1969	Bachelor in Project Management	Over 10 years
3. Mr. Moses Gakuru	Member		01/1/1959	CPA, Masters-Strategic management	OVER 10 YEARS
4. Mrs. Jackline Lanoi Saruni	Member		03/6/1975	MSc-Security Mgt	Over 10 years
5. Mr. Nathaniel Kasaro sinkeet	Member		30/11/1966	Degree in Business Adm-HR	OVER YEARS

6. Mrs. Pauline Wafula	Member		03/10/1974	Degree-Quantity Surveying	OVER 10 YEARS
7. Mrs.Bessy D O. Achieng	Member		14/11/1989	Degree-law	Over 10 year
8. Mrs. Josyline K. Nkonge	Secretary		15/12/1965	Masters in Strategic management & Bachelor in Education	19 years
9. Samson Sikinan partalala	Governor representative		2/4/1973	Master's in public administration	Over 10 years

4. Key Management Team

Manager	Title	Photograph	Date of birth	qualification	Experien
Mrs. Josyline K. Nkonge	principal		15/12/1965	Masters in Strategic management & Bachelor in education	40 years
George Kimotho	Deputy principal administration		30/12/1972	Master's in Business Administration	29years
Mr Wesley Mosigisi	Deputy principal Academics		16/09/1984	Bachelor of Education	17 years
Mr. Gilbert J. Okeya	Registrar		30/12/1979	Bachelor in education	10 years
Alex Gitau	Dean of trainees		17/06/1980	Bachelor of science in information technology	12 years
Mr. Duncan l. Kosen	Finance Officer		25/06/1990	Bachelor in commerce, CPA	6 Years

5. Chairman's Statement

It gives me much pleasure in presenting the annual report and financial statement of the Kajiado east technical and vocational college for the year ended 2025.The institute Board of Governor note with appreciation the continued support of the government and other stakeholder in the daily running of the institution. We thank government for the new programmes on CBET aimed at matching skills in the institution with industry need. The BOG will work with industry and other partners to strategies in order to ensure that the skills offered at Kajiado East Technical and Vocational College meet the industry needs.

The government has been of great help by providing provision of resources to acquire the skills teaching and other learning materials. We are pleased of the achievement so for realised despite the financial challenges faced especially non-payment of government capitation. I would like to thank the government, supplier, parent, guardian and service provider for their support and trust, cooperation and continue partnership during the FY 2024/2025

PROF.THOMAS MBOYA

15/8/2025

6. Report of the Chief Principal

Let me take this opportunity to present the annual report and financial statement of the Kajiado east technical and vocational college for the year ended 30 June 2025 in accordance with the Accrual method under the international Public Sector Accounting standards (IPSAS).
With support from BOG the institution managed and utilise its financial, procurement and internal control
The institute will continue improving its programme and facilities to enhance growth opportunities in the market despite many challenges that are not favourable to the institution. The luck of piped water that necessitates the institution to keep on buying water for the students. The institution has embarked on improving enrolment as well as improving efficiency and innovativeness in order to equip trainees with appropriate skills. The student total population has improved from 288 to 866 .The institute is already registered with KUCCPS, HELB and started receiving capitation and HELB for some trainees. Forward to expect capitation and student placement.
Lastly, I want to appreciate BOG, Management, staffs and other all stakeholder for their commitment and dedication to their work and ensure that Kajiado east TVC will attain its vision and mission.

DR.JOSYLINE NKONGE

7. Statement of Performance against Predetermined Objectives

Kajiado East TVC has strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 24- FY 25. These strategic pillars are as follows:

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

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

8. Corporate Governance Statement

1. Corporate governance statement

a) Good corporate governance is the key to integrity and corporation and central to the institute stability
b) The BOG ensure conformity by focusing and providing institute strategy, direction and policy making
c) They ensure internal control are in place, accountability, monitoring and safeguarding the asset.
d) They ensure the financial statement are reliable and rea free from errors and fraud
e) They also provide and follow transparency and accountability in its stewarding institute affairs

2. Institute BOG

a) The BOG constitutes of Chairman BOG and seven members who were appointed in accordance to the TVET Act 2013, which meets at least three times a year and any other time when need arise.
b) BOG responsibility is to set direction of the institute through establishment of strategic information, policies and approval of budget
c) It monitors implementation of the policies through structure approach of reporting by management and accountability.
d) BOG have skills, knowledge and experience that help the institute to set goals and attains its objectives
e) It ensure that the institute has complied with statutory

3. Related party disclosure

a) The Government
b) The Board of Governor
c) The Management

FUNCTION OF THE BOARD OF GOVERNANCE

According to the TVET Act 2013, the BOG shall have the following function

a) Provide control and regulate finances
b) Approves budget
c) Provide oversight and strategic leadership
d) Employ staff
e) Determine the method of recruitment, appointment and promotion of all staffs as per the law
f) Approves polices for the institute.
g) Approves statutes
h) Enter into contract or terminate contract on behalf of the institution

Transact any other business of the institute covered by the law

9. Management Discussion and Analysis

Kajiado east tvc has complied with statutory that is required by the government,

Major risks facing the organisation,

- *Poor fee payment*
- *Inadequate funding by the ministry of education that is on capitation, operation and development grant*
- Limited capacity e.g. Luck of enough classes and trainers
- water challenges that is affecting the institution
- The institution also has no good accessibility roads especially during rainy season, which are impassable.

Material arrears in statutory and other financial obligations

The organization does not have any pending bills since it is new and struggling with limited funds.

The suppliers are paid in time therefore limit the pending bills

10. Environmental And Sustainability Reporting Statement

Sustainability strategy and profile

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

Environmental performance

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

Employee welfare

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

Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

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

b) Responsible Supply chain and supplier relations

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

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

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

d) Product stewardship or Awareness Creation

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

Corporate Social Responsibility

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

11.Report of the Board of Governors

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the *Kajiado East Tvc* affairs.

Principal activities

The principal activities of the entity are

Results

The results of the entity for the year ended June 30 are set out on page1 to 45

Council/Board of Governors

The members of the Board who served during the year are shown on page vi and vii. During the year 2025.

Auditors

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

By Order of the Board

JOSYLINE NKONGE

.....

Secretary of the Board/Council
Nairobi
Date:

12. Statement of Board of Governors

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

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

The Council members accept responsibility for the *kajiado east 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 State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under)*. The council members are of the opinion that the *kajiado east tvc* financial statements give a true and fair view of the state of *kajiado east tvc* transactions during the financial year ended June 30, 2025, and of the *kajiado east tvc* financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *kajiado east tvc* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The *kajiado east tvc* financial statements were approved by the Board on 15/8/ 2025 and signed on its behalf by:

Name: PROF.THOMAS MBOYA	**Name: JOSYLINE NKONGE**
Chairperson of the Board	**Accounting Officer/Principal**

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON KAJIADO EAST TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kajiado East Technical and Vocational College set out on pages 1 to 46, 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 then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kajiado East 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 and Training Act, 2013 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unconfirmed Property, Plant and Equipment

The statement of financial position and as disclosed in Note 19 to the financial statements reflect property, plant and equipment balance of Kshs.52,999,527. Included in the balance is Kshs.52,513,037 in respect to buildings whose ownership documents and valuation report were not provided for audit review. Further the College Management did not maintain an updated fixed assets register and assets were not tagged for ease of identification.

In the circumstances, the accuracy, completeness and ownership of the property, plant and equipment balance of Kshs.52,999,527could not be confirmed.

2. Unconfirmed Cash and Cash Equivalents

The statement of financial position and as disclosed in Note 16 to the financial statements reflect cash and cash equivalents balance of Kshs.1,200,337. However, the bank reconciliation statements provided for audit review reflected a balance of Kshs.487,913 resulting to unexplained variance of Kshs.712,424. In addition, the cash book was incomplete as vouchers and cheque numbers were missing. Further, the cashbook, bank statements and bank reconciliation statements were not checked or approved by a Senior Officer.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,200,337could not be confirmed.

3. Inaccuracies in Trade and Other Payables

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.1,992,735 as disclosed in Note 20 to the financial statements. However, the ledger provided for audit review reflected a balance of Kshs.3,048,216 resulting to unexplained variance of Kshs.1,055,481.

Further, trade and other payables balance include payables totalling Kshs.992,735 which have been outstanding for more than one (1) year. Management did not provide measures put in place to clear the debts.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.1,992,735 could not be confirmed.

4. Unconfirmed Rendering of Services - Fees from Students

The statement of financial performance and as disclosed in Note 7 to the financial statements reflect rendering of services - fees from students amount of Kshs.44,658,772. However, the ledger provided for audit review reflected revenue from rendering of services totalling Kshs.67,957,868 resulting to unexplained variance of Kshs.23,299,096.

Further, review of the College's revenue processes revealed that students pay electronically through the College's designated paybill number and are to be issued with receipts for the payments made. However, no records were provided to confirm the payments of fees.

In the circumstances, the accuracy and completeness of rendering of services - fees from students totalling Kshs.44,658,772. could not be confirmed.

5. Inaccuracies in Current Portion of Receivables from Exchange Transactions

The statement of financial position reflects current portion of receivables from exchange transactions balance of Kshs.23,106,954 as disclosed in Note 17 (a) to the financial statements. However, the ledger provided for audit review reflected Kshs.48,719,705 resulting to unexplained variance of Kshs.25,612,751.

In the circumstances, the accuracy and completeness of current portion of receivables from exchange transactions balance of Kshs.23,106,954 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kajiado East 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 actual expenditure of Kshs.18,369,795 against actual receipts of Kshs.43,811,909 resulting to under absorption of Kshs.25,442,114 or approximately 58% of actual receipts.

The under-absorption affected the 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, I have determined that there are no other key audit matters to communicate in my report.

Other Information

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

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, 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

Irregular Procurements

The statement of financial performance reflects use of goods and services totalling Kshs.14,072,375 as disclosed in Note 10 to the financial statements. However, review of procurement records revealed that Management procured goods and services worth Kshs.3,704,790 which were not verified by the Inspection and Acceptance Committee. This is contrary to Section 48(1) and 3 (a) and (b) of the Public Procurement and Asset Disposal Act, 2015 which requires an Accounting Officer of a procuring entity to establish

an Inspection and Acceptance Committee to inspect and ensure compliance with terms and specifications of the contract.

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 Segregation of Duties

As previously reported, review of internal controls of the College revealed that there was no proper segregation of duties in the accounting function since the roles of maintaining the cash book, preparation of bank reconciliation statements, drawing of cheques and updating student's examination cards were all performed by the Finance Officer.

In the circumstances, existence of an effective system of internal controls could not be confirmed.

2. Lack of Internal Audit Function and Ineffective Audit Committee

The College has not established an internal audit function and an effective Audit Committee of the Board. Review of the Board composition revealed that the College had a Risk and Audit Committee, however the Committee did not hold any meeting during the year and there was no internal audit unit. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit unit and an Audit Committee of the Board. As such, the College did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

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

3. Use of Manual Accounting Systems

As previously reported, review of records revealed that during the year under review the Management used manual accounting systems in development of financial statements, maintenance of cash books, reconciliations and tracking of its financial data which are prone to errors. Although Management purchased an accounting system (System One), the system was still unreliable as it could not help in generating ledgers and tracking accounts receivables and revenue. In addition, payments were made using invoices instead of payment vouchers.

In the circumstances, the effectiveness of internal controls 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 Governors

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

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

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

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

The Board of Governors 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

04 December, 2025

14. Statement of Financial Performance for the Year Ended 30 June 2025

	Notes	FY2024--2025	FY2023-2024
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	3,001,482	2,000,000
		3,001,482	**2,000,000**
Revenue from Exchange transactions			
Rendering of services- fees from students	7	44,658,772	11,486,202
Sale of goods	8	36,000	10,400
Rental revenue from facilities and equipment	9	120,000	25,000
Revenue from Exchange transactions		**44,814,772**	**11,521,602**
Total Revenue		**47,816,254**	**13,521,602**
Expenses			
Use of goods and services	10	14,072,375	9,678,485
Employee costs	11	3,718,718	1,173,250
Board /Council Expenses	12	495,821	812,854
Depreciation and amortization expense	13	1,610,055	1,599,480
Repairs and maintenance	14	0	136,925
Finance costs	15	12,381	12,882
Total Expenses		**19,909,350**	**13,413,876**
Net surplus/(deficit) for the year		**27,906,904**	**107,726**

(*The notes set out on pages 6 to 15 form an integral part of the Annual Financial Statements).*

The Financial Statements set out on pages 6 to 15 were signed by:

PROF.THOMAS MBOYA	**DR.JOSYLINE NKONGE**	**DUNCAN KOSEN**
.....	.....	.....
Chairman of Council/Board	**Principal**	**Finance Officer**
		ICPAK No
Date 15/8/2025	**Date 15/8/2025**	**Date 15/8/2025**

13. Report of the Office Auditor General for Kajiado East Technical and Vocational College

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

Description	Notes	FY2024-2025	FY2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	16	1,200,337	320,962
Current portion of receivables from exchange transactions	17(a)	23,106,954	1,506,421
Receivables from non-exchange transactions	18	0	0
Total Current Assets		**24,307,291**	**1,827,383**
Non-Current Assets			
Long term receivables from exchange transactions	17(b)	5,105,243	0
Property, plant, and equipment	19	52,999,527	56,129,189
Total Non-Current Assets		**58,104,770**	**56,129,189**
Total Assets (A)		**82,412,061**	**57,956,572**
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	20	1,992,735	992,735
Total Current Liabilities		**1,992,735**	**992,735**
Non-Current Liabilities			
Non- Current Borrowings	21	1,600,000	1,600,000
Total non- current liabilities		1,600,000	1,600,000
Total Liabilities (B)		**3,592,735**	**2,592,735**
Net Assets (A-B)		**78,819,326**	**55,363,837**
Represented By:			
Revaluation Reserves		0	0
Accumulated Surplus		**27,906,904**	(604,444)
Capital Fund		57,705,885	57,705,885
Net Assets		**85,612,789**	**57,101,441**

The Financial Statements set out on pages 1 to 2 were signed by:

...PROF THOMAS MBOYA.....	DR. JOSYLINE NKONGE	DUNCAN KOSEN .....
Chairman of Council/Board	**Principal**	**Finance Officer**
		ICPAK No
Date 15/8/2025	**Date 15/8/2025**	**Date 15/8/2025**

16. Statement of Changes in Net Asset for the Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
At July 1, 2023	**0**	**(712,170)**	**57,705,885**	**56,993,715**
Revaluation gain	**0**	-	-	0
Surplus/(deficit) for the year	-	107,726	-	107,726
At June 30, 2024	**0**	**(604,444)**	**57,705,885**	**57,101,441**
At July 1, 2024	0	**(604,444)**	**57,705,885**	**57,101,441**
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	**27,906,904**	-	**27,906,904**
Capital grants received during the year	-	-	0	0
Transfer of depreciation/amortisation from capital fund to Retained earnings	-		0	-
At June 30, 2025	**0**	**26,698,016**	**57,705,885**	**84,403,901**

17. Statement of Cash Flows for the Year Ended 30 June 2025

Description	Note	FY2024--2025 Kshs	FY2023-2024 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	3,001,482	2,000,000
Rendering of services- fees from students	7	16,091,688	11,486,202
Sale of goods	8	36,000	10,400
Rental revenue from facilities and equipment	9	120,000	25,000
Total Receipts		**19,249,170**	**13,521,602**
Payments			
Use of goods and services	10	14,072,375	9,678,485
Employee costs	11	3,718,718	1,173,250
Board /Council Expenses	12	495,821	812,854
Repairs and maintenance	14	0	136,925
Finance cost	15	12,381	12,882
Total Payments		**18,299,295**	**11,814,396**
Net Cash Flows from operating activities		**949,875**	1,029,824
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(70,500)	(75,000)
Proceeds from sale of property, plant and equipment		0	0
Net cash flows used in investing activities		(70,500)	(75,000)
Cash flows from financing activities			
Proceeds From Borrowing		0	0
Repayment Of Borrowings		0	0
Net cash flows used in financing activities		0	**0**
Net Increase/(Decrease) in Cash and Cash equivalents		879,375	954,824
Cash and Cash equivalents at 1 JULY	16	320,962	633,862
Cash and Cash equivalents at 30 JUNE	16	1,200,337	320,962

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	**0**	**2,162,998**	**200,785**	**1,962,213**	**9.3%**
Receipts						
Transfers from other National Government entities	2,600,000	0	2,600,000	3,001,482	(401,482)	115%
Grants from donors and development partners	0	0	0	0	0	0
Transfers from other levels of government	0	0	0	0	0	0
Public contributions and donations	0	0	0	0	0	0
Rendering of services- fees from students	27,461,743	0	27,461,743	40,453,642	(12,991,899)	147%
Sale of goods	36,000	0	36,000	36,000	0	100%
Rental revenue from facilities and equipment	0	0	0	120,000	(120,000)	100%
Finance income	0	0	0	0	0	0
Miscellaneous Income	0	0	0	0	0	0
Total Receipts	**30,097,743**	0	**32,260,741**	**43,811,909**	**(11,551,168)**	136%
Payments						
Use of goods and services	15,521,890	0	15,521,890	14,142,875	1,379,015	91%
Employee costs	5,316,000	0	5,316,000	3,740,718	1,575,282	70%
Board /Council Expenses	516,000	0	516,000	495,821	20,179	96%
Repairs and maintenance	4,350,000	0	4,350,000	0	4,350,000	0%
Contracted services	0	0	0	0	0	0
Grants and subsidies	0	0	0	0	0	0
Total Expenditure Payments	**25,703,890**	0	**25,703,890**	**18,369,795**	**4,557,980**	**71%**
Capital Expenditure Payments	**0**	0	**0**	**0**	**0**	0%
Surplus	**4,393,853**	0	**6,556,851**	**25,442,114**	**(16,109,148)**	388%

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	A
1	The difference between actual final and actual budget from transfers from other National Government entities is because the grants that were supposed to be given by government of 2,000,000 was changed and give the capitation based on students populations	401,482
2	The difference between actual final and actual budget from Rendering of services- fees from students is because there was an increase on may intake ,the intake exceeded the expected	14,142,875
3	The difference between actual final and actual budget from Use of goods and services is because the expected revenue collection was low hence did not meet the budgeted amount	2,527,519
4	The difference between actual final and actual budget from Employee costs is because the expected revenue collection was low hence did not meet the budgeted amount	1,575,282
5	The difference between actual final and actual budget from Board /Council Expenses is because the expected revenue collection was low hence did not meet the budgeted amount	20,179
6	The difference between actual final and actual budget from Repairs and maintenance is because the expected revenue collection was low hence did not meet the budgeted amount	4,350,000
	Closing Cash and Cash Equivalent as per the statement of Cash flows	23,017,337

19. Notes to the Financial Statements

1. General Information

Kajiado east tvc is established by and derives its authority and accountability from ministry of education Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The kajiado east tvc principal activity is providing leadership and vison, managing daily operation administration, ensuring the institution success and safety

2. Statement of Compliance and Basis of Preparation

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

3. Adoption of New and Revised Standards

When an IPSAS becomes effective on 1st January 2024, it is applicable in Kenya from 1st July 2024

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

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

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

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

	i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	***Applicable 1st January 2026*** 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.
IPSAS 48: Transfer Expenses	***Applicable 1st January 2026*** 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.
IPSAS 49: Retirement Benefit Plans	***Applicable 1st January 2026*** 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	***Applicable 1st January 2027*** The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the kajiado east tvc financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on kajiado east tvc financial statements.)*

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on *xxx*. 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 did not record additional appropriations for the FY 2024/2025 budget following the Council/ Board's approval. The kajiado east tvc budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of Cashflows has been presented.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per schedule

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

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

g) Intangible assets

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

h) Biological Assets

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

i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).*

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

Financial assets

Classification

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

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

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

Fair value through net assets/ equity
Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and

foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

Trade and other receivables

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

Impairment

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

Financial liabilities

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

k) Inventories

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

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

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

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

Inventories (Continued)

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

l) Provisions

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

Contingent liabilities

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

Contingent assets

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

m) Social Benefits

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

n) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements.

Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

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

s) Service concession arrangements

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

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

Provisions

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

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

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

6. Transfers from other National Government entities

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	3,001,482	2,000,000
Total Government Grants and Subsidies	**3,001,482**	**2,000,000**

(a)Transfers from other Government entities

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of Education	3,001,482	0	0	3,001,482	2,000,000
Total	3,001,482	0	0	3,001,482	2,000,000

7. Rendering of Services

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Tuition Fees	21,178,498	5,422,868
Activity Fees	2,609,092	668,072
Personal emolument	7,444,062	0
Industrial Attachment Fees	1,156,000	296,000
Examination Fees	2,332,130	614,830
Library Fees	0	0
Facilities And Materials	0	1,906,092
Registration Fees	1,156,000	296,000
RMI	1,882,546	482,036
Local travel and transport	2,282,522	584,452
Caution	578,000	148,000
EW&C	2,282,522	584,452
Accommodation	1,295,000	365,000
TVETA	289,000	74,000
Students I'Ds	173,400	44,400
Total Revenue from The Rendering of Services	**44,658,772**	**11,486,202**

8. Sale of Goods

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Dust coat sales	36,000	10,400
Total Revenue from Sale of Goods	**36,000**	**10,400**

9. Rental revenue from facilities and equipment

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Contingent Rentals	120,000	25,000
Total	120,000	25,000

10. Use of Goods and Services

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Teaching and learning materials	7,967,485	4,119,950
Electricity	210,000	302,037
Water	1,449,000	243,040
Subscriptions	403,920	374,088
Advertising	443,227	41,000
Examination fees	2,332,130	770,830
Audit fees	0	0
Catering, conferences, and delegations	0	243,974
Travelling and accommodation	520,563	1,258,285
Students id	0	18,800
jitume	0	329,050
Printing and stationery	635,050	1,693,931
newspapers	60,000	60,000
Telephone expenses	51,000	120,000
Internet expenses	0	103,500
Total good and services	**14,072,375**	**9,678,485**

11. Employee Costs

Description	FY 2024-2025	FY2023-2024
	Kshs	Kshs
Salaries and wages	3,718,718	1,173,250
Employee Costs	**3,718,718**	**1,173,250**

12. Board/Council Expenses

Description	FY 2024-2025	FY2023-2024
	Kshs	Kshs
Directors Emoluments	**495,821**	812,854
Total	**495,821**	**812,854**

13. Depreciation and Amortization expense

Description	FY 2024-2025	FY2023-2024
	Kshs	Kshs
Property, plant and equipment	42,982	42,982
Building	1,458,697	1,458,697
Funiture and fitting	88,762	78,187
computer	19,614	19,614
Total depreciation and amortization	**1,590,106**	**1,599,480**

14. Repairs and Maintenance

Description	FY 2024-2025	FY2023-2024
	Kshs	Kshs
Property	0	136,925
Total Repairs and Maintenance	0	136,925

15. Finance Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Bank charges, statements and cheque book	12,381	12,882
Total Finance Costs	**12,381**	**12,882**

16. Cash and Cash Equivalents

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Account	1,200,337	320,962
Total Cash and Cash Equivalents	**1,200,337**	**320,962**

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

Financial Institution	Account number	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
a) **Current Account**			
Kenya Commercial Bank		1,140,550	213,256
Co-op Bank, etc.		59,787	107,706
Sub- Total		**1,200,337**	**320,962**
Grand Total		**1,200,337**	**320,962**

17. Receivables from Exchange transactions

17(a) Current Receivables from Exchange transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Receivables		
Student Debtors	23,066,954	1,506,421
Rent Debtors	40,000	0
Consultancy Debtors	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	0	0
Total Current Receivables	**23,106,954**	**1,506,421**

17 (b) Long- term Receivables from Exchange transactions

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Non-Current Receivables		
Refundable deposit	5,105,243	0
Total Non-Current Receivables	0	**0**
Total Receivables	**5,105,243**	**0**

17 (c) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2024-2025		FY 2023-2023	
	Kshs		Kshs	
	FY	**% of total**	**Comparative FY 2023-2024**	**% of total**
Less than 1 year	23,106,954	70%	0	%
Between 1- 2 years	5,105,243	44%	1,506,421	13%
Total (a+b)	**28,212,197**	**%**	**1,506,421**	**%**

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

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
At the beginning of the year	5,105,243	0
Provisions during the year	23,106,954	1,506,421
Recovered during the year	0	0
Write offs during the year	0	0
At the end of the year	**28,212,197**	**1,506,421**

18. Receivables from Non-Exchange transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Receivables		
Capitation Grants*	0	0
Transfers from Other Govt. entities	0	0
Undisbursed Donor Funds	0	0
Other Debtors (Non-Exchange Transactions)	0	0
Less: Impairment Allowance	0	0
Total Current Receivables	0	0

19. Property, Plant and Equipment

Cost	Land	2.5% Buildings	Motor vehicles	12.5% Furniture and fittings	33.3% Computers	15% Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation Rate		2.5%	%	12.5%	33.3%	15%		
At 1July 2023	0	58,347,823	0	550,500	58,900	286,550	**0**	59,243,773
Additions	0	0	0	75,000	0	-		75,000
Disposals	0	0	0	0	0	0	0	0
Transfers/Adjustments	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
At 30th June 2024	0	58,347,823	**0**	**625,500**	58,900	286,550	**0**	**59,318,773**
Additions	0	0	0	0	0	70,500	0	70,500
Disposals	0	0	0	0	0	0	0	0
Transfer/Adjustments	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0
At 30th June 2025	**0**	58,347,823	**0**	**625,500**	58,900	357,050	**0**	**59,389,273**
Depreciation And Impairment								
At 1 Jun 2023	-	2,917,394	0	137,626	39,228	85,964	0	**3,180,212**
Depreciation	-	0	0	0	0	0	0	0
Disposals	-	0	0	0	0	0	0	0
Impairment	-	0	0	0	0	0	0	0
At 30 Jun 2024		1,458,696	0	78,187	19,614	42,982	0	1,599,982
Depreciation for the year	-	1,458,696	0	78,187	19,614	53,558	0	**1,610,055**
Disposals	-	0	0	0	0	0	0	0
Impairment	-	0	0	0	0	0	0	0
Transfer/Adjustment	-	0	0	0	0	0	0	0
At 30th Jun 2025	-	5,834,786	0	294,000	78,456	182,504	0	**6,389,746**

Cost	Land	2.5% Buildings	Motor vehicles	12.5% Furniture and fittings	33.3% Computers	15% Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Net Book Values								
At 30th Jun 2024	**0**	55,430,429	0	478,500	19,672	217,586	0	**56,129,187**
At 30th Jun 2025	0	52,513,037	0	331,500	(19,556)	174,546	0	**52,999,527**

Notes to the Financial Statements

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by xxx professional values on xxx. These amounts were adopted in the financial statements on xxx.

19 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0	0	0
Buildings	58,347,823	4,376,091	53,971,732
Plant And Machinery	357,050	139,552	217,498
Motor Vehicles including Motorcycles	0	0	0
Computers and Related Equipment	58,900	58,842	59
Office Equipment, Furniture, And Fittings	**625,500**	208,439	417,061
Total	**59,318,773**	4,779,691	54,606,350

20. Trade and Other Payables

Description	FY2024-2025		FY2023-2024	
	Kshs		Kshs	
Trade payables	1,992,735.00		992,735	
Total Trade and Other Payables	**1,992,735.00**		**992,735**	
Ageing analysis:	**FY 2024-2025**	**% of the Total**	**FY 2023-2024**	**% of the Total**
Under one year	1,000,000	50%	**992,735**	100
1-2 years	992,735	40%	0	0
Total (to tie to totals above)	**1,992,735**	**90**	**992,735**	**100**

21. Borrowings

Description	FY2024-2025	FY2023-2024
	Kshs	Kshs
Balance at beginning of the year	1,600,000	1,600,000
Balance at end of the year	1,600,000	1,600,000

22. Cash generated from operations.

Surplus for the year before tax	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Adjusted for:		
Depreciation	0	0
Non-Cash grants received	0	0
Contributed assets	0	0
Impairment	0	0
Gains and Losses on Disposal of Assets	0	0
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Finance Income	0	0
Finance Cost	0	0
Working Capital Adjustments	0	0
Increase in Inventory	0	0
Increase in Receivables	0	0
Increase in Deferred Income	0	0
Increase in Payables	0	0
Increase in Payments received in advance	0	0
Net Cash Flow from Operating Activities	0	0

23. Financial Risk Management

The kajiado east tvc 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 kajiado east tvc financial risk management objectives and policies are detailed below:

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or

external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2025	0	0	0	0
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0

Financial risk management (continued)

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

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

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023-2024				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0
At 30 June 2024-2025	0	0	0	0
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred Income	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0

(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 kajiado east tvc income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The kajiado east tvc 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 kajiado east tvc exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

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

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2025			
Financial Assets (Investments, Cash, Debtors)	0	0	0
Liabilities	0	0	0
Trade and Other Payables	0	0	0
Borrowings	0	0	0
	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	*10%*	*0*	*0*
Usd	10%	0	0
20xx		0	0
Euro	10%	0	0
Usd	10%	0	0

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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

iv) Capital Risk Management

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

Description	FY 2024-2025	FY 2023-2025
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	0	0
Capital Reserve	0	0
Total Funds	0	0
Total Borrowings	0	0
Less: Cash and Bank Balances	0	0
Net Debt/(Excess Cash and Cash Equivalents)	0	0
Gearing	0	0

24. Related Party Balances

Nature of related party relationships

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

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

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

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

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0	0
Rent income from govt. agencies	0	0
Water sales to govt. agencies	0	0
Others (*specify)*	0	0
Total	0	0
B) Purchases from related parties		
Purchases of electricity from kplc	210,000	245,313
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. agencies	0	0
Others (*specify*)	0	0
Total	210,000	245,313
b) Grants /Transfers from the Government		
Grants from National Govt	3,001,482	2,000,000
Grants from County Government	0	0
Donations in Kind	0	0
Total	3,001,482	2,000,000
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for xx Employees	**3,718,718**	1,614,590
Payments for Goods and Services for XX	12,994,371	7,328,771
Total		

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
d) Key Management Compensation		
Directors' emoluments	495,821	812,854
Compensation to Key Management	0	
Total	**495,821**	**812,854**

25. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the kajiado east tvc performance and allocation of resources to different segments)

26. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0	0
Assets arising from determination of Court Cases	0	0
Reimbursable Indemnities and Guarantees	0	0
Others (*Specify*)	0	0
Total	0	0

Contingent Liabilities

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Contingent Liabilities	0	0
Court Case Xxx against (*The Entity*)	0	0
Bank guarantees in favour of subsidiary	0	0
Contingent liabilities arising from Contracts including PPPs	0	0
Others (*Specify*)	0	0
Total	0	0

27. Capital Commitments

Capital Commitments	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Authorised for	0	0
Authorised and Contracted for	0	0
Total	0	0

28. Events After The Reporting Period

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

29. Ultimate And Holding Entity

The entity is a State Corporation under the Ministry of Education (TVET). Its ultimate parent is the Government of Kenya.

30. Currency

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

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1	Lack of internal audit function and audit committee	Internal Audit committee is in place and fully functioning	Resolved	
2	Lack of risk management policy	Risk management policy is in place and fully functioning	Resolved	
3	Lack of segregation of duties	Management has employ accounts clerk to help in job segregation	Resolved	
4	Use of manual accounting system	Management has put in place well-functioning management information system to reduce error	Resolved	
5	Use of manual payroll	Management is working on MIS to ensure that the payroll	Not Resolved	

Name
Accounting Officer
Dr. Josyline Nkonge
Date 15/8/2025