

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE NATIONAL ASSEMBLY PAPERS LAID	
OF DATE: 18 JUN 2025	DAY. Wednesday
TABLED BY:	Hon. Owen Baga MP Deputy Majority Leader
CLERK-AT-THE-TABLE:	Womale

THE AUDITOR-GENERAL

ON

**LARI TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2024**



Revised 30th June 2024



LARI TECHNICAL AND VOCATIONAL COLLEGE.

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2024

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

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Lari Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024

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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 Lari TVC's financial resources.

Comparative Year- Means the prior period.

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

2. Key Lari TVC Information and Management

(a) Background information

Lari Technical and Vocational College was incorporated/ established under the TVET Act 2013 of the laws of Kenya to offer technical and vocational training (TVET) on (10 June 2019). The Lari Technical and Vocational College is domiciled in Kenya and the institution is under the Ministry of Education.

The Board of Governors (BOG) which is appointed by Ministry of Education in Consultation with the stakeholders oversees the day-to-day running of the Institute

(b) Principal Activities

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

i. Vision

A Leader in providing quality technical skills for self-reliance

ii. Mission

To be a leading tertiary institution in imparting technical skills to meet National and Personal goals.

iii. Strategic Objectives

- To provide quality market driven technical and business programmes to trainees.
- Promote research, Innovations in Science and Technology.
- Enhance financial sustainability by increasing revenue and managing costs.
- To establish partnerships, essential linkages and collaborations with strategic partners and stakeholders.
- Improve access and use of Information Communication Technology

(c) Key Management

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

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

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(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	David M. Kariuki
2.	Deputy principal Finance	John Mungai Mwangi
3	Deputy principal Academics	Samuel Kamau Ndothua
4	Registrar	John Kago
5	Dean of students	Gladys Watiri
6	Head of Finance	Antony Kigotho Kinyanjui
7	HOD agriculture department	Timothy Kinyua
8	HOD applied science department	Antony Bundi
9	HOD ICT department	Edward Nyambane
10	HOD games and recreation	Timothy Kinyua
11	HOD internal quality assurance	Jackline Koech
12	HOD industrial Liaison	Gladys Kyalo
13	Performance contract officer	Simon Kagwe Kamau
14	HOD Cosmetology	Ann Nyagah
15	HOD Eectriical engineering	Penzi Langat

Key Lari TVC Information and Management (Continued)

(e) Fiduciary Oversight Arrangements

Finance, Planning and Development Committee

Responsibilities:

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

Audit and risk committee

Responsibilities:

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

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(f) Lari TVC Headquarters

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

(g) Lari TVC Contacts

Telephone: (254) 0798 595 756
E-mail: Lari1tvc@gmail.com
Website: www.laritvc.go.ke.

(h) Lari TVC Bankers

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

Other Commercial Banks
KCB BANK
Limuru Branch
Account number 1262609909

(i) Independent Auditors




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

(j) Principal Legal Adviser





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

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3.The Council/Board of Governors

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Mr. Jeremiah Nyori Mbugua	DOB- 12 th December 1973 PHD-Agricultural Entrepreneurship Bachelor of value chain Director Extension and Technology- JKUAT
2.	 Mr. David M. Kariuki	DOB – 14 th July 1973 Masters of Business Administration. BED – Economics
3.	 Eng. George Waithaka	DOB-20 th AUGUST 1970 Bsc. Civil Engineer.

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4.		<p>DOB- 11th November 1967 Mary Wanjiru Kigotho BBA at Kenya Methodist University CPA (K)</p>
5.		<p>DOB-17th DECEMBER 1962 Rhoda Nyambura Kimathi Bachelors of Education and Couselling (Arts) S Diploma in Education</p>
6.		<p>DOB-7th AUGUST 1960 James Muli Munyao Masters of Science (Immunology) Bachelor of Education(Science)Chemistry, Zoology</p>
7.		<p>DOB-23rd September 1989 Simon Gachoka Wanjiru Masters in Gender and Development Studies</p>




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

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4. Key Management Team

<i>SN.</i>	<i>Member/ Director</i>	<i>Details</i>
1.	 Mr David M. Kariuki	Principal DOB- 13th October 1967. Masters of Business Administration BED - Economics
2.	 Mr. Samuel N. Ndothua	Acting Deputy Principal DOB- 8 th February 1967 PGD in Education Bsc in Agricultural engineering
3.	 Mr John Mungai Mwangi	Deputy Principal Administration & Finance DOB 18 th September 1985 Diploma in Technical Teacher Education BSC Computer Science

5. Chairman’s Statement

6. Chairman’s Statement

It is my pleasure to present Lari technical and vocational college annual Financial Statements for the financial year ended 30 June, 2024. The Institute Board notes with appreciation the continued support of the Government and other stakeholders in running the institution. The Institute has continued to offer quality programmes that are market-driven and meet the demands of the market. The Board endeavours to work with the industries, strategic partners and other stakeholders in order to provide facilities that meet the challenges the institute is facing.

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

During the financial year 2023/2024, the Institute embarked on various activities among them;

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

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

Institute has faced numerous challenges attributed to the late release of the GoK operations grants and capitation grant which were already factored in the 2023/2024 financial year budget resulted to underfunding of the institute budget and downsizing the funding of the departmental budgets. We continued with the measures of setting up of management and governance structures that reflect Institute status.

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

Jeremiah N. Mbugua.



Sign
Chairman: Board of Governors.

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Annual Report and Financial Statements for the year ended 30th June 2024

7. Report of the Chief/Senior Principal

I am pleased to present the Annual report and Financial Statements of Lari Technical and Vocational College for the financial year ended 30 June, 2024. Lari Technical and Vocational College is academic institution committed in equipping trainee with knowledge, skills and right attitudes through Technical, Innovation and Vocational Education and Training for self-reliance of our trainees and bridges the skill gap in the market.

Academic and Student affairs

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

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

At the start of 2023/2024 academic year, the Institute introduced the competence-based programmes, which was geared to support the government's Big 4 agenda. When fully implemented, this will result to increase of revenue for the Institute.

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

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

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

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

Financial Sustainability

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

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

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The Governments Big 4 agenda, which is key to bolster strong inclusive economic growth and contribution to the Vision 2030 have also guided the institute.

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

Mr David M. Kariuki



Sign.....
Principal/ BOG Secretary

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8. Statement of Performance against Predetermined Objectives

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

Pillar/ theme/issue 1: Economic

Pillar/ theme/ issue 2: Social

Pillar/ theme/ issue 2: Enablers

Lari TVC develops its annual work plans based on the above pillars. Assessment of the Board's performance against its annual work plan is done regularly. The institution achieved its performance targets set for the FY 2023/2024 period for its (XX No.) strategic pillars, as indicated in the diagram below:

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

9. Corporate Governance Statement

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

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

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

Internal Controls

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

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

Ethics and Conduct

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

Governance Audit

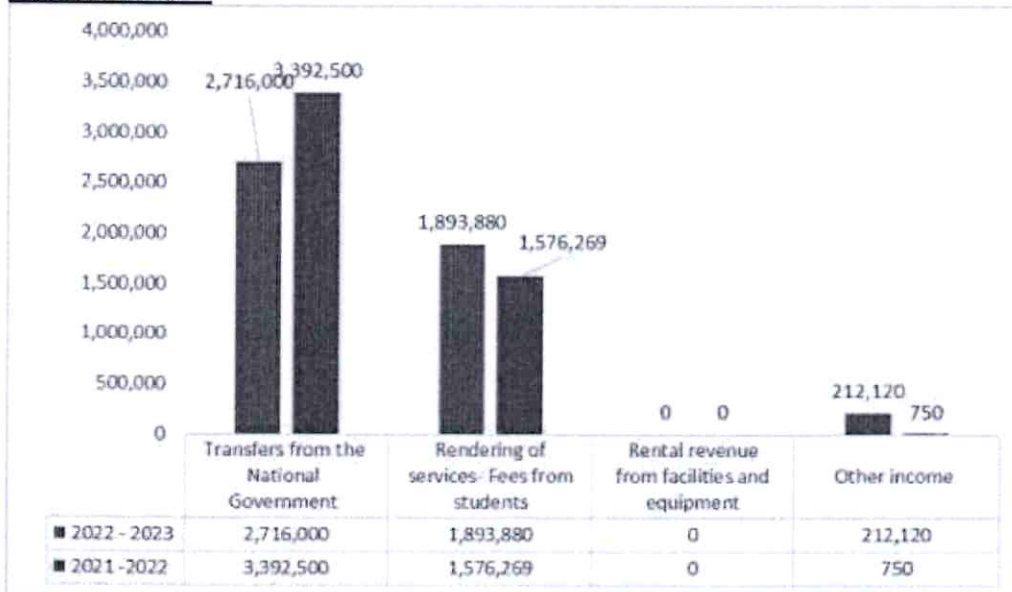
The Board has put in place a combination of processes and structures to inform, direct, manage and monitor the activities of the Institute towards the achievement of its objectives

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10. Management Discussion and Analysis

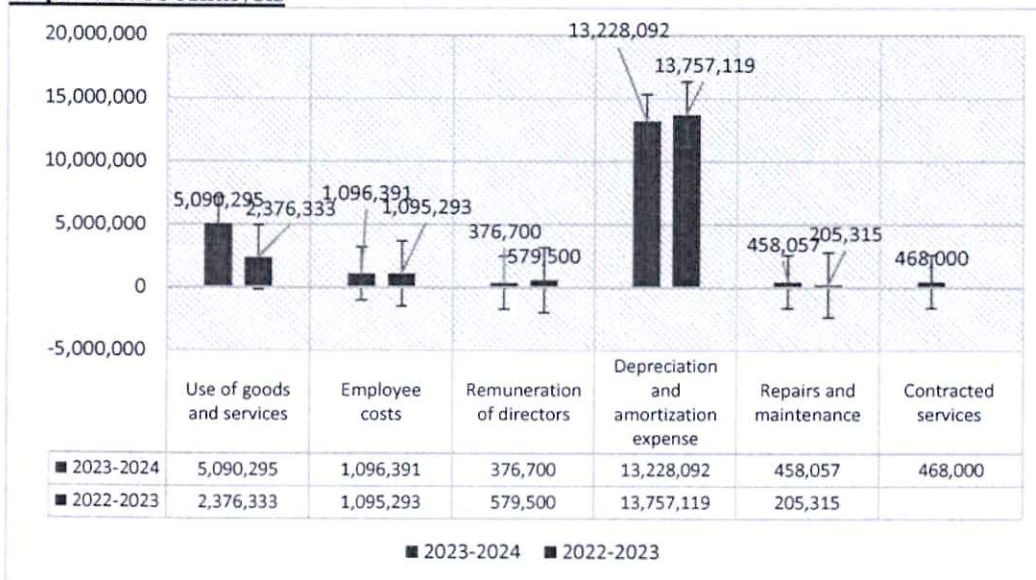
11. Management Discussion and Analysis

Income analysis



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

Expenditure Analysis



There was 6% increase in total expenditure for the institution. This was caused by slow growth of student population therefore reducing the institutions growth.

12. Environmental And Sustainability Reporting Statement

(Two-to-three pages)

Sustainability strategy and profile

(The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure).

Environmental performance

(Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products).

Employee welfare

(Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they 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).

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 and respect for competitors.
- b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.
- d) Product stewardship- outline efforts to safeguard consumer rights and interests.

(The statement may also include how the organisation promotes education, sports, healthcare, labour relations, staff training and development, water and sanitation initiatives)

Corporate Social Responsibility / Community Engagements

(The organisation gives details of CSR activities carried out in the year and the impact to the society. Give evidence of community engagement including charitable giving (cash and material), Corporate Social Investment and other forms of community engagements).

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13. Report of the Council/Board of Governors

The Council/Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the *Lari TVC's* affairs.

Principal activities

The principal activities of the Lari TVC is training in technical skills.

Results

The results of the Lari TVC for the year ended June 30 are set out on page 1 to 10

Council/Board of Governors

The members of the Board /Council who served during the year are shown on page 5. During the year no director retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of the *Lari 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 *Lari TVC* for the year/period ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Secretary of the Board/Council
Nairobi
Date: 09/04/25

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

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

The Council members are responsible for the preparation and presentation of the *Lari TVC's* financial statements, which give a true and fair view of the state of affairs of the *Lari TVC* for and as at the end of the financial year (period) ended on June 30, 2024. 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 *Lari TVC*, (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 *Lari TVC*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the *Lari TVC's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*the State Corporations Act, and the TVET Act*) – *entities should quote applicable legislation as indicated under*). The council members are of the opinion that the *Lari TVC's* financial statements give a true and fair view of the state of *Lari TVC's* transactions during the financial year ended June 30, 2024, and of the *Lari TVC's* financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the *Lari TVC*, which have been relied upon in the preparation of the *Lari TVC's* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Principal has assessed the *Lari TVC's* 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 *Lari TVC* will not remain a going concern for at least the next twelve months from the date of this statement.

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Annual Report and Financial Statements for the year ended 30th June 2024

Approval of the financial statements

The *Lari TVC*'s financial statements were approved by the Board on 9th April 2025 and signed on its behalf by:



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



.....
Name David Kenuki
Accounting Officer/Principal

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON LARI TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on the 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 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 Government achieves value for money and that such funds are applied for the intended purpose.
- 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient, and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Lari Technical and Vocational College set out on pages 1 to 53, which comprise the statement of financial position as

at 30 June, 2024 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 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 the Lari Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training (TVET) Act, 2013.

Basis for Qualified Opinion

1. Unconfirmed Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.1,270,840 as disclosed in Note 26 to the financial statements which include current account balance of Kshs.1,263,040. However, review of the cashbook revealed a balance was Kshs.69,723 resulting to an unexplained variance of Kshs.1,193,317. Further, bank reconciliations statements and board of survey reports were not provided for audit review.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,270,840 could not be confirmed.

2. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.439,465 as disclosed in Note 43 to the financial statements. However, the balance was not supported with ledgers and schedules or full details of the creditor regarding work done or services rendered, invoices, local purchase or service orders and evidence of delivery and suppliers' statements. Further, the balance of trade and other payables remained constant throughout the years.

In the circumstances, the accuracy, completeness and validity of trade and other payables balance of Kshs.439,465 could not be confirmed.

3. Property, Plant and Equipment

The statement of financial position reflects a balance of Kshs.131,928,755 in respect to property, plant and equipment as disclosed in Note 32 to the financial statements. Review of records provided revealed the following;

3.1 Lack of Land Ownership Documents

Included in the property, plant and equipment balance of Kshs.131,928,755 is a balance of Kshs.14,000,000 relating to land in which Institution buildings and other infrastructures stand. It was noted that the land in which the Institution stands belonged to the community and Management had not acquired ownership documents as at the time of audit in the month of March, 2025. Further, the basis for the valuation of the land of Kshs.14,000,000 was not provided.

3.2 Incomplete Fixed Assets Register

Review of the asset register revealed the following;

- i. Historical cost of each asset, accumulated depreciation, and the net book value were missing.
- ii. The make, model, and serial numbers of the computers had not been indicated.
- iii. Land register had missing GPS and LR numbers.
- iv. The plant and equipment were not itemized and quantified.
- v. The loose tools were not captured in the asset register.
- vi. The register of buildings did not contain a breakdown of the various structures within the College.

3.3 Untagged Assets

The audit revealed that the assets were not tagged exposing them to theft and security risks including misuse as the movement and conditions of the assets could not be easily tracked.

3.4 Unutilized Plant and Equipment

Included in the property, plant and equipment balance of Kshs.131,928,755 as disclosed in Note 32 to the financial statements is historical cost and accumulated depreciation of Kshs.103,792,673 and Kshs.34,259,691 respectively relating to plant and equipment. However, the assets had not been utilized since they were Installed in the financial year 2018.

In the circumstances, the accuracy, valuation and ownership of property plant and equipment balance of Kshs.131,928,755 could not be confirmed.

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

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page ii to xxi which comprise of Key Entity Information and Management, The Council/ Board of Governance statement, Key Management Team, Council Chairman's Report, Report of the Chief Principal, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council Members, and Statement of the Council Members Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Lari Technical and Vocational College financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that other information is not materially inconsistent with the financial statements.

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 USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in 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

Weaknesses in the Procurement of Goods and Services

The statement of financial performance reflects use of goods and services amount of Kshs.5,089,900 as disclosed on Note 15 to the financial statements which was spent on payments to various local suppliers. However, Management did not provide, appointment

letters of the quotations opening committee, quotations opening minutes, evaluation committee minutes, minutes of the inspection and acceptance committees, and professional opinion as required by Section 44(2) of the Public Procurement and Asset Disposal Act, 2015.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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 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 overall governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy

Management had not established an ICT policy and a risk management policy. This was contrary to Regulation 165 of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to develop risk management strategies which include fraud prevention mechanism and internal control that builds robust business operations.

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

2. Lack of Internal Audit Function and Audit Committee

The College had not established an internal audit function, contrary to Section 73(1) of the Public Finance Management Act, 2015 which states that every National Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, the College did not establish an Audit Committee hence no meetings were held by the Committee during the year under review contrary to Regulation 179(1) of the Public Finance Management Regulations, 2015 which states that the audit committee shall meet at least once in every three months.

In the circumstances, Management was in breach of the law and did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

3. LACK OF SEGREGATION OF DUTIES

The College had no segregation of duties in the finance department contrary to Regulation 23(1) of the Public Finance Management (National Government) Regulations which states that Accounting Officers shall, in accordance with Article 226(2) of the Constitution and Section 68(1) of the Act, be accountable to the National Assembly for maintaining effective systems of internal control and the measures taken to ensure that they are effective; and for measures taken to prepare the financial reports that reflect a true and fair financial position of the entity.

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

4. Human Resource Management Gaps

Note 16 to the financial statement reflects an amount of Kshs.1,096,391 in relation to salary and wages. Review of the document provided for audit revealed the following unexplained anomalies:

- i. The Institution lacks the relevant policies and guidelines- including an approved staff establishment, Human Resource Policy, Succession Planning Guidelines, and salary grading/structures.
- ii. The staff records /biodata was not provided for review.
- iii. Engagement of resource persons and part-timers was not supported.
- iv. There was no evidence that the part-time trainers are registered with TVET Authority as required by the law.

In the circumstances, the effectiveness of internal controls in respect to human resource management could not be confirmed.

5. Lack of Board Committee Charter

Review of the Board records indicated that the Board has three (3) committees; Technical and Finance, Academic and Human Resources Audit and Risk Management committees established to run the affairs of the Board. However, none of the committees has a charter that outlines its roles and responsibilities.

In the circumstances, lack of board committee charter may have the Institution carry out responsibilities not defined for the entity.

6. Lack of ICT Steering Committee and IT Strategic Committee

During the year under review, the College did not have in place information technology steering committees and strategic committee. Reasons as to why the committees are not in place were not provided for audit.

In the circumstances, potential risk of breaching data security and regulatory compliance requirements not set out.

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 control, 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 control, risk management and overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance 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 for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 May, 2025




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16. Statement of Financial Performance For The Year Ended 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	3,029,516.5	2,716,000
		3,029,516.5	2,716,000
Revenue from Exchange transactions			
Rendering of services- fees from students	10	4,778,912	1,893,860
Sale of goods	11	128,210	212,120
Revenue from Exchange transactions		4,907,122	2,105,980
Total Revenue		7,936,638	4,821,980
Expenses			
Use of goods and services	15	5,089,900	2,649,833
Employee costs	16	1,096,391	1,095,293
Board /Council Expenses	17	376,700	579,500
Depreciation and amortization expense	18	12,129,166	13,757,119
Repairs and maintenance	19	458,057	205,315
Contracted services	20	-	
Total Expenses		19,150,214	18,287,060
Other Gains/(Losses)			
Impairment loss	25	-	-
Total Other Gains/(Losses)		-	-
Net surplus/(deficit) for the year		(11,213,576)	(13,465,080)

(The notes set out on pages 10 to 57 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 10 were signed by:

		
.....
Chairman of Council/Board	Principal	Finance Officer
Date 09/04/25	Date 09/04/25	Date 09/04/25
		ICPAK No ASSOC no 3956

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

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17. Statement of Financial Position As At 30th June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	26	1,270,840	625,916
Current portion of receivables from exchange transactions	27	452,155	431,489
Receivables from non-exchange transactions	28	-	-
Total Current Assets		1,722,995	1,057,405
Non-Current Assets			
Property, plant, and equipment	32	131,928,755	144,577,430
Total Non-Current Assets		131,928,755	144,577,430
Total Assets		133,651,750	145,634,825
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	43	439,465	439,465
Total Current Liabilities		439,465	439,465
Non-Current Liabilities			
Total non- current liabilities		-	-
Total Liabilities		439,465	439,465
Net Assets			
Revaluation Reserves		190,976,340	190,976,340
Accumulated Surplus		(57,764,055)	(45,780,980)
Capital Fund		-	-
Total Net Assets and Liabilities		133,651,750	145,634,825

The Financial Statements set out on pages 10 to 24 were signed by:



Chairman of Council/Board

Date 09/04/25



Principal

Date 09/04/25



Finance Officer ICPAK No
ASSOC 3956

Date 09/04/25

18. Statement of Changes in Net Asset For The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated Fund	Capital Grants/Fund	Total
At July 1, 20243(previous year)	190,976,340	(33,085,399)		157,890,941
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(13,465,080)	-	(13,465,080)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	190,976,340	(46,550,479)		144,425,861
At July 1, 2023 (current year)	190,976,340	(46,550,479)		144,425,861
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(11,213,576)	-	(11,213,576)
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2024	190,976,340	(57,764,055)		133,212,285

Note:

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

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19. Statement of Cash Flows For The Year Ended 30 June 2024

Description		2023-2024	2022-2023
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	3,029,516	2,716,000
Rendering of services- fees from students	10	4,778,912	1,893,860
Sale of goods	11	128,210	212,120
Total Receipts		8,564,856	4,821,980
Payments			
Use of goods and services	15	5,089,900	2,693,273
Employee costs	16	1,096,391	1,095,293
Board /Council Expenses	17	376,700	579,500
Repairs and maintenance	19	458,057	205,315
Contracted services		-	-
Total Payments		7,669,933	4,529,941
Net Cash Flows from operating activities	47	894,923	565,560
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	32	(250,000)	(502,520)
Net cash flows used in investing activities		(250,000)	(502,520)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		644,923	63,040
Cash and Cash equivalents at 1 JULY 2022	26	625,917	562,877
Cash and Cash equivalents at 30 JUNE 2023	26	1,270,840	625,917

(PSASB has prescribed the direct method of cashflow preparation and presentation for all public sector entities reporting under the IPSAS Accrual basis of accounting)

20. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable base	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	5,450,000		5,450,000	3,029,517	(2,420,483)	55%
Rendering of services- fees from students	3,038,000		3,038,000	4,778,912	1,740,912	145%
Sale of goods	200,000		200,000	128,210	71,790	64%
Rental revenue from facilities and equipment						
Finance income						
Miscellaneous Income						
Total Income	8,738,000		8,738,000	7,936,638	1,148,142	
Expenses						
Use of goods and services	4,126,000		4,126,000	5,089,900	(964,295)	23%
Employee costs	1,080,000		1,080,000	1,096,391	16,391	7%
Board /Council Expenses	500,000		500,000	376,700	(123,300)	75%
Repairs and maintenance	300,000		300,000	458,057	158,057	65%
Contracted services	450,000		450,000	0	0	100%
Total Expenditure	6,456,200		6,456,200	7,489,048		
Surplus For the Period	2,281,800		2,281,800	100,810		
Capital Expenditure	700,000		700,000			

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(Budget notes)

1. **Transfer from government agencies.**
This was due to low capitation submission due to low enrolment.
2. **Rendering of services.**
This was due to increased enrolment of non capitation students
3. **Sale of goods.**
This was due to increased enrolment of non capitation students.
4. **Use of goods**
This was due to increased enrolment of non capitation students.
5. **BOG Expenses.**
BOG term limit expired and new BOG appointment took long before appointing happenend.
6. *Repairs and maintenance.*
The college needed improvements to be able to accommodate huge number of students.

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Annual Report and Financial Statements for the year ended 30th June 2024

21. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *Lari TVC's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 24. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Lari TVC*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (*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.

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Annual Report and Financial Statements for the year ended 30th June 2024

3. Adoption of New and Revised Standards

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

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

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

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

**Lari Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2024**

	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Lari TVC if relevant</i></p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Lari TVC shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Lari TVC if relevant</i></p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Lari TVC if relevant</i></p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Lari TVC if relevant</i></p>

iii. Early adoption of standards

(The Lari TVC) did not early adopt any new or amended standards in year 2024./the Lari TVC adopted standard 24 and 24. The impact of these standards on Lari TVC's financial statements is 24.(amend appropriately)

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 Lari TVC 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 Lari TVC 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 Lari TVC.

Interest income

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

Rental income

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

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b) Budget information

The original budget for FY 2023/2024 was approved by the Council or Board on **26 June 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Lari TVC upon receiving the respective approvals to conclude the final budget. Accordingly, the Lari TVC recorded no additional appropriations during FY 2023/2024 budget following the Council/ Board's approval. The Lari TVC's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **24** under section **24x** of these financial statements.

c) Taxes

Current income tax

The Lari TVC is exempt from paying taxes as per schedule **income tax** Act.

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 24-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. (Lari TVC 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 Lari TVC 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 Lari TVC. 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 Lari TVC 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 Lari TVC 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 Lari TVC. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

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g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Lari TVC 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 Lari TVC and a financial liability or equity instrument of another Lari TVC. At initial recognition, the Lari TVC 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 Lari TVC classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the Lari TVC's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Lari TVC 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 Lari TVC classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

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

Fair value through net assets/ equity

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

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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 Lari TVC 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 Lari TVC assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Lari TVC 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 24*.

Financial liabilities

Classification

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

j) Inventories

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

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

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

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

Inventories (Continued)

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

k) Provisions

Provisions are recognized when the *Lari TVC* 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 *Lari TVC* 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 *Lari TVC* 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 *Lari TVC* 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 *Lari TVC* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and/or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The *Lari TVC* 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 *Lari TVC* will incur in fulfilling the present obligations represented by the liability.

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m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The *Lari TVC* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an *Lari TVC* pays fixed contributions into a separate *Lari TVC* (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. (*the Lari TVC to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies*)

p) Foreign currency transactions

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

q) Borrowing costs

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

r) Related parties

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

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s) Service concession arrangements

The *Lari TVC* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Lari TVC* 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 *Lari TVC* 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Lari TVC 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 Lari TVC. 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 *Lari TVC*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 24x.

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

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

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6. Transfers from other National Government entities

Description	2022-2023	2023-2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	1,029,517	716,000
Operational Grant	2,000,000	2,000,000
Total unconditional Grants	3,029,517	2,716,000
Conditional Grants amortised/ recognised in revenue		
Total Government Grants and Subsidies	3,029,517	2,716,000

(a) Transfers from other Government entities (Categorized)

Name of the entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund	Total grant income during the year	2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	3,029,517	-	-	-	2,716,000
24 Ministry	-	-	-	-	-
Total	3,029,517	-	-	-	2,716,000

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

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

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

The details of the reconciliation have been included under appendix 24x

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7. Grants from Donors and Development Partners

Description	2023-2024	2022-2023
	Kshs	Kshs
JICA- Research Grant		
World Bank Grants		
In-Kind Donations		
Donations transferred to revenue-conditions met		
Other Grants (specify)		
Total Grants from Development Partners		

(a) Reconciliations of grants from donors and development partners

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Balance unspent at beginning of year		
Current year receipts		
Conditions Met - Transferred to Revenue		
Conditions Yet To Be Met - Remain Liabilities		

(Provide brief explanation for this revenue)

8. Transfers from Other Levels of Government

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Transfer from County 24		
Transfer from 24 University		
Transfer from 24 Institute		
Total Transfers		

9. Public Contributions and Donations

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Public Donations		
Donations from Local Leadership		
Donations from Religious Institutions		
Donations from Alumni		
Other Donations		
Total Donations and Contributions		

(Provide brief explanation for this revenue)

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10. Rendering of Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Tuition Fees	4,432,222	2,237,860
Activity Fees		
Industrial Attachment Fees		
Examination Fees	346,690	
Library Fees		
Facilities And Materials		
Registration Fees		
Others (<i>Specify</i>)		
Total Revenue from The Rendering of Services	4,778,912	2,237,860

(Provide brief explanation for this revenue)

11. Sale of Goods

Description	2023-2024	2022-2023
	Kshs	Kshs
Sale of Books		
Sale of Publications		
Sale of Farm Produce and short courses	128,210	212,210
Cafeteria sales		
Other sales (<i>specify</i>)		
Total Revenue from Sale of Goods	128,210	212,210

(Provide brief explanation for this revenue)

12. Rental revenue from facilities and equipment

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Hire of Facilities and Equipment		
Contingent Rentals		
Operating Lease Revenue		
Others (<i>specify</i>)		
Total		

*(Provide brief explanation for this revenue. *Contingent rentals include hire grounds, institutional facilities like halls, kitchen etc.)*

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13. Finance Income

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Cash investments and fixed deposits		
Interest income from treasury bills		
Interest income from treasury bonds		
Interest from outstanding debtors		
Others (<i>specify</i>)		
Total finance income		

(Provide brief explanation for this revenue.)

14. Miscellaneous Income

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Insurance recoveries		
Consultancy fees		
Income from sale of tender		
Services concession income		
Reimbursements and refunds		
Graduation fees		
Bad debts recovered		
Income written back		
Others (<i>specify</i>)		
Total other income		

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified.)

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15. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Teaching and learning materials	459,700	99,370
Agricultural department expenses	-	31,050
Industrial attachment costs	89,000	37,000
Electricity	-	-
Water	42,300	56,785
Security	468,000	432,000
Professional and consultancy services	-	-
Subscriptions- KATTI, KUCCPS etc	174,280	100,800
Advertising	487,000	143,920
Examination fees	416,960	359,470
Audit fees	-	-
Catering, conferences, and delegations	335,230	264,000
Induction and training	10,000	-
Travelling	721,020	338,000
Accommodation	-	66,000
Fuel and oil Gas expenses	12,000	4,500
Cleaning expenses	55,855	16,850
Banking service charge	7,760	8,678
Health Licenses and permits	11,100	9,500
Postage	7,725	7,725
Printing and stationery	374,485	109,330
Office Expenses	328,740	25,500
Internet installation and expenses	2,500	67,200
Telephone expenses	63,500	-
Computer expenses – Mifi router	7,500	7,000
Agriculture department expenses	41,750	-
Greening expenses	32,120	-
Sporting and games expenses	225,390	114,705
Landscaping and surveying	27,000	20,900
Refund to transferred students	63,860	-
Performance contract	61,000	58,550
Office supplies	72,625	-
Staff training expenses	-	264,000
Website and domain expenses	-	7,000
Recruitment and interviews	150,000	-
Local travels expenses	341,500	-
Total good and services	5,089,900	2,649,833

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16. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Salaries and wages	1,096,391	1,095,293
Employee related costs - contributions to pensions and medical aids		
Travel, motor car, accommodation, subsistence and other allowances		
Housing benefits and allowances		
Overtime payments		
Social contributions		
Employee Costs	1,096,391	1,095,293

17. Board/Council Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Chairman's Honoraria		
Directors Emoluments		
Other Allowances	376,700	579,500
Other Board/Council Expenses		
Total	376,700	579,500

18. Depreciation and Amortization expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	12,129,166	13,757,119
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization	12,129,166	13,757,119

19. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Property	458,057	205,315
Investment property – earning rentals		
Equipment and machinery		
Vehicles		
Furniture and fittings		
Computers and accessories		
Total Repairs and Maintenance	458,057	205,315

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20. Contracted Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Actuarial valuations		
Investment valuations		
Property valuations		
Security	-	
Total contracted services		

21. Grants and Subsidies

Description	2023-2024	2022-2023
	Kshs	Kshs
Community Development		
Education Initiatives and Programs		
Social Development		
Social benefits expenses		
Community Trust		
Sporting Bodies		
Others (specify)		
Total Grants and Subsidies		

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

22. Finance Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Borrowings (Amortized Cost)*		
Finance Leases (Amortized Cost)		
Unwinding of Discount from lease liabilities		
Interest on Bank Overdrafts		
Interest on Loans from Commercial Banks		
Others (specify)		
Total Finance Costs		

*(*Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)*

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23. Gain On Sale of Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
Other Assets not capitalised		
Total Gain On Sale of Assets		

24. Gain/(loss) on Fair Value Investments

Description	2023-2024	2022-2023
	Kshs	Kshs
Fair value on equity investments		
Fair value arising from investment property		
Fair value arising from biological assets		
Fair value- other financial assets (specify)		
Total Gain		

25. Impairment Loss

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, Plant and Equipment		
Intangible Assets		
Total Impairment Loss		

26. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	1,263,040	624,544
On - Call Deposits		
Fixed Deposits Account		
Cash at hand	7,800	1,372
Others (Specify)		
Total Cash and Cash Equivalents	1,270,840	625,916

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

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

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1262609909	1,263,040	624,544
Equity Bank, etc.			
Sub- Total		1,263,040	624,544
b) On - Call Deposits			
Kenya Commercial Bank			
Equity Bank – etc.			
Sub- Total			
c) Fixed Deposits Account			
Kenya Commercial Bank			
Bank B			
Sub- Total			
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank			
Bank B			
Sub- Total			
e) Others(Specify)			
Cash in Transit			
Cash in Hand		7,800	1,372
Mobile Money account			
Sub- Total		7,800	1,372
Grand Total		1,270,840	625,916

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27. Receivables from Exchange transactions

27 (a) Current Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Receivables		
Student Debtors	452,155	379,980
Rent Debtors		
Consultancy Debtors		
Other Exchange Debtors		
Less: Impairment Allowance		
Total Current Receivables	452,155	379,980

27 (b) Long- term Receivables from Exchange transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits		
Advance Payments		
Public Organizations		
Less: Impairment Allowance		
Total		
Current Portion Transferred To Current Receivables		
Total Non-Current Receivables		
Total Receivables		

27 (c) Ageing Analysis of Receivables from Exchange transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs	% of total	Kshs	% of total
	Current	% of total	Comparative FY	% of total
Less than 1 year	452,155	100%	302,042	70%
Between 1- 2 years		%	129,447	30%
Between 2-3 years		%	-	0%
Over 3 years		%		
Total (a+b)	452,155	100%	431,489	100%

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

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At the beginning of the year		
Provisions during the year		
Recovered during the year		
Write offs during the year		
At the end of the year		

(Lari TVC to state the expected credit loss rates for various categories of its receivables. The Lari TVC should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

28. Receivables from Non-Exchange transactions

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

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

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

Description	Insert Current FY		Insert Comparative FY	
	Kshs	% of the total	Kshs	% of the total
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year				
Between 1- 2 years				
Total				

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

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At the beginning of the year		
Additional provisions during the year		
At the end of the year		

29. Inventories

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Consumable stores		
Maintenance stores		
Health Unit stores		
Electrical stores		
Total Inventories at lower of Cost and Net Realizable Value		

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30. Investments in financial assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK		
CBK		
Sub- Total		
b) Investment with Financial Institutions/ Banks		
Bank X		
Bank Y		
Sub- Total		
c) Equity Investments (Specify)		
Equity/ Shares in Company 24x		
Sub- Total		
Grand Total		

(Lari TVC should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes the interest rates, maturity dates, valuation methodology, and impairment of these investments.

d) Shareholding in other entities

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

Name of Lari TVC where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares	Fair Value of Shares
	Direct Shareholding	Indirect Shareholding	Effective Shareholding		Insert Current FY	Insert Comparative FY
	%	%	%	Kshs	Kshs	Kshs
Lari TVC A						
Lari TVC B						

31. Prepayments

Description	Insert Current FY	Insert comparative FY
	Kshs.	Kshs.
Prepaid Rent		
Prepaid Electricity Costs		
Other Prepayments (Specify)		
Total		

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32. Property, Plant and Equipment

Cost	Land Kshs	Buildings Kshs	Furniture and fittings Kshs	Computers Kshs	Plant and equipment Kshs	Loose tools Kshs	Capital Work-in- progress Kshs	Total Kshs
At 1 July 2023	14,000,000	47,669,215	21,025,000	4,555,392	103,792,673	21,500	400,000	191,878,360
Additions			-				415,080	415,080
Disposals								
Transfers/Adjustments								
At 30th June 2023	14,000,000	47,669,215	21,025,000	4,555,392	103,792,673	21,500	815,080	192,128,360
Additions			250,000					
Disposals								
Transfer/Adjustments		815,080					(815,080)	-
At 30th June 2024	14,000,000	48,484,295	21,275,000	4,555,392	103,792,673	21,500	-	192,128,360
Depreciation And Impairment								
At 1 Jul 2023	-	(3,486,556)	(6,574,756)	(2,978,277)	(34,259,691)	(2,150)		(47,661,440)
Depreciation	-	(1,161,937)	(2,296,875)	(948,035)	(11,352,324)	-		(13,757,119)
Disposals	-							
Impairment	-							
At 30 Jun 2024	-	(3,486,556)	(6,934,766)	(2,978,277)	(34,259,691)	(2,150)		(47,301,430)
Depreciation	-	(1,124,943)	(1,837,530)	(473,135)	(8,691,623)	(1,935)		(12,129,165)
Disposals	-							
Impairment	-							
Transfer/Adjustment	-							
At 30th Jun 2024	-	(4,611,499)	(8,772,295)	(3,451,412)	(42,951,314)	(4,085)		(59,745,605)
Net Book Values								
At 30th Jun 2023	14,000,000	44,182,659	14,450,244	1,577,115	69,532,982	19,350		144,577,430
At 30th Jun 2024	14,000,000	43,057,716	12,907,715	1,103,980	60,841,359	17,415		131,928,185

[Include Brief Description Of WIP As A Footer]

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Notes to the Financial Statements (Continued)

Valuation

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The assets were revalued by 24x professional valuers on 24x. These amounts were adopted in the financial statements on 24x.

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	14,000,000	-	14,000,000
Buildings	48,484,295	(4,611,499)	43,057,716
Plant And Machinery	103,792,673	(42,951,314)	60,841,359
;Loose tools	21,500	(4,085)	17,415
Computers and Related Equipment	4,555,392	(3,451,412)	1,103,980
Office Equipment, Furniture, And Fittings	103,792,673	(8,412,287)	12,129,166
Total	192,128,360	(59,745,605)	131,928,185

33. Intangible Assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Cost		
At beginning of the year		
Additions		
At end of the year		
Additions–internal development		
At end of the year		
Amortization and impairment		
At beginning of the year		
Amortization		
At end of the year		
Impairment loss		
At end of the year		
NBV		

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34. Investment Property

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
At beginning of the year		
Additions		
Disposal during the year		
Depreciation		
Impairment		
Gain or loss on fair value- if fair value is elected		
At end of the year		

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.) Lari TVC should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

35. Biological Assets

	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Cattle		
Trees		
Others (Specify)		
Total		

36. Trade and Other Payables

Description	Insert Current FY		Insert Comparative FY	
	Kshs	% of the Total	Kshs	% of the Total
Trade payables				
Fees paid in advance				
Salary deductions				
Third-Party Payments				
Other Payables				
Total Trade and Other Payables				
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total

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Under one year		%		
1-2 years		%		
2-3 years		%		
Over 3 years		%		
Total (to tie to totals above)		%		

37. Refundable Deposits from Customers/Students

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

38. Current Provisions

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

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39. Finance Lease Obligation

Description	Insert	Insert
	Current FY	Comparative FY
	Kshs	Kshs
At the start of the year		
Discount interest on Lease Liability		
Paid during the year		
At end of the year		

Maturity Analysis

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

Analysed as:

Description	Amount
	Kshs
Current	
Non- Current	
Total	

40. Deferred Income

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
National Government		
International Funding Bodies		
Public Contributions and Donations		
Total Deferred Income		

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The deferred income movement is as follows:

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

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

Analysed as:

Description	Amount
	Kshs
Current	
Non- Current	
Total	

41. Employee Benefit Obligations

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

Retirement benefit Asset/ Liability

The Lari TVC operates a defined benefit scheme for all full-time employees from July 1, 2024. The scheme is administered by 24x while 24x are the custodians of the scheme. The scheme is based on 24x percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at 24x June 24x by 24x actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

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

Recognition of Retirement Benefit Asset/ Liability

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

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

- b) Amounts recognised in the Statement of Financial Position

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Present value of defined benefit obligations(a)		
Fair value of plan assets(b)		
Funded status(=a-b)		
Restrictions on asset recognised		
Others (<i>specify</i>)		
Net asset or liability arising from defined benefit obligation		

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The Lari TVC also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Lari TVC's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 24X per employee per month. Other than NSSF the Lari TVC also has a defined contribution scheme operated by 24X Pension Fund. Employees contribute 24% while employers contribute 24% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

42. Payments received in advance.

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

43. Borrowings

Description	2023-2024	2022-2023
	Kshs	Kshs
Balance at beginning of the year	439,465	439,465
External borrowings during the year		
Domestic borrowings during the year		
Repayments of external borrowings during the year		
Repayments of domestic borrowings during the year		
Balance at end of the year	439,465	439,465

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43 a) Analysis of External and Domestic Borrowings

Description	Insert	Insert
	Current FY	Comparative FY
	Kshs	Kshs
External borrowings		
Dollar denominated loan from '24 organization'		
Sterling pound denominated loan from 'yyy organization'		
Euro denominated loan from zzz organization'		
Domestic borrowings		
Kenya shilling loan		
Total balance at end of the year		

43 b) Breakdown of Long and Short-Term Borrowings

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

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

44. Non-Current Provisions

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

(NB: The current portion deducted in this note should tie to line on current portion transferred from non- current provisions under note 38)

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45. Service Concession Arrangements

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Fair value of service concession assets recognized under PPE		
Accumulated depreciation to date		
Service concession liability at end of the year		

46. Social Benefit Liabilities

Description	Insert Current FY	Insert previous FY
	Kshs	Kshs
Health social benefit scheme		
Unemployment social benefit scheme		
Orphaned and vulnerable benefit scheme		
Total		
Current social benefits		
Non- current social benefits		
Total (tie to totals above)		

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

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47. Cash generated from operations.

Surplus for the year before tax	2023-2024	2022-2023
	Kshs	Kshs
Adjusted for:	(11,213,576)	(13,465,080)
Depreciation	12,129,165	13,757,119
Non-Cash grants received		
Contributed assets		
Impairment		
Gains and Losses on Disposal of Assets		
Contribution to provisions		
Contribution to impairment allowance		
Finance Income		
Finance Cost		
Working Capital Adjustments		
Increase in Inventory		
Increase in Receivables	(20,666)	273,521
Increase in Deferred Income		
Increase in Payables		
Increase in Payments received in advance		
Net Cash Flow from Operating Activities	894,923	565,560

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

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48. Financial Risk Management

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

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

(i) Credit risk

The Lari TVC 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 Lari TVC's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023 (previous year)				
Receivables from exchange transactions	379,980	379,980		
Receivables from non-exchange transactions	-	-		
Bank balances	624,544	624,544		
Total	1,004,524	1,004,524		
At 30 June 2024 (current year)				
Receivables from exchange transactions	677,987	677,987		
Receivables from non-exchange transactions	-	-		
Bank balances	1,270,987	1,270,987		
Total	1,948,630	1,948,630		

(NB: The totals column should tie to the individual elements of credit risk disclosed in the Lari TVC's statement of financial position)

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Financial risk management (continued)

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

The Lari TVC has significant concentration of credit risk on amounts due from 2424

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 Lari TVC's directors, who have built an appropriate liquidity risk management framework for the management of the Lari TVC's short, medium and long-term funding and liquidity management requirements. The Lari TVC 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 (previous year)				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total				
At 30 June 2024 (current year)				
Trade Payables				
Current Portion Of Borrowings				
Provisions				
Deferred Income				
Employee Benefit Obligation				
Total				

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(iii) Market risk

The Lari TVC has put in place an internal audit function to assist it in assessing the risk faced by the Lari TVC 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 Lari TVC's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

a) Foreign currency risk

The Lari TVC 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 Lari TVC's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets (Investments, Cash, Debtors)			
Liabilities			
Trade and Other Payables			
Borrowings			
Net Foreign Currency Asset/(Liability)			

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

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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
2024			
Euro	10%		
Usd	10%		
2024			
Euro	10%		
Usd	10%		

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Lari TVC 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 24x (2024: Kshs 24x). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 24x (2024 – Kshs 24x)

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iv) Capital Risk Management

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Revaluation Reserve	190,976,340	190,976,340
Retained Earnings	(58,066,472)	(44,780,980)
Capital Reserve		-
Total Funds	132,909,868	145,583,326
Total Borrowings	439,465	439,465
Less: Cash and Bank Balances	(1,270,840)	(625,916)
Net Debt/(Excess Cash and Cash Equivalents)	(831,405)	(186,451)
Gearing	0.17%	0.14%

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49. Related Party Balances

Nature of related party relationships

Entities and other parties related to the Lari TVC 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 *Lari TVC*, holding 100% of the *Lari TVC's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Lari TVC, both domestic and external. Other related parties include:

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

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

Description	2023-2024	2022-2023
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies		
Rent income from govt. agencies		
Water sales to govt. agencies		
Others (<i>specify</i>)		
Total		
B) Purchases from related parties		
Purchases of electricity from kplc		
Purchase of water from govt service providers		
Rent expenses paid to govt agencies		
Training and conference fees paid to govt. agencies		
Others (<i>specify</i>)		
Total		
b) Grants /Transfers from the Government		
Grants from National Govt	3,029,517	2,716,000
Grants from County Government		
Donations in Kind		
Total	3,029,517	2,716,000
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for 3 Employees	1,096,391	1,095,293
Payments for Goods and Services	5,090,295	2,376,333
Total	6,186,686	3,471,333

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Description	2023-2024	2022-2023
	Kshs	Kshs
d) Key Management Compensation		
Directors' emoluments	376,700	579,500
Compensation to Key Management		
Total	376,700	579,500

50. Segment Information

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

51. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements		
Assets arising from determination of Court Cases		
Reimbursable Indemnities and Guarantees		
Others (<i>Specify</i>)		
Total		

Contingent Liabilities

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Contingent Liabilities		
Court Case 24x against (<i>The Lari TVC</i>)		
Bank guarantees in favour of subsidiary		
Contingent liabilities arising from Contracts including PPPs		
Others (<i>Specify</i>)		
Total		

(Give details)

52. Capital Commitments

Capital Commitments	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Authorised for		
Authorised and Contracted for		
Total		

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the Lari TVC but at the end of the year had not been contracted or those already contracted for and ongoing)

**Lari Technical and Vocational College
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53. Events After The Reporting Period

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

54. Ultimate And Holding Lari TVC

The Lari TVC is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of 24x. Its ultimate parent is the Government of Kenya.

55. Currency

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

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22. 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.
NOT AUDITED IN THE PREVIOUS YEAR

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

Guidance Notes:

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



**Name David M. Kariuki
Accounting Officer**

Date

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Appendix II: Projects Implemented by (The Lari TVC)

Projects

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

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

Status of Projects completion

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

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

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Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity- Ministry of Education SD TVET.....

Name of beneficiary Lari TVC.....

Confirmation of amounts received by [Lari TVC] as at 30 th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Capitation (B)	Total (C)=(A+B)	Remarks
Q1- 23/24	02/10/2023	500,000	227,500	727,500	Allocated
Q2- 23/24	18/01/2024	500,000	245,000	745,000	Allocated
Q3- 23/24	05/02/2024	500,000	280000	780,000	Allocated
Q4- 23/24	29/05/2024	500,000	209,287.5	709,287.8	Allocated
Total		2,000,000	961,788	2,961,788	

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

Head of Accounts Department - Disbursing entity:
 Name Sign Date

Head of Accounts Department - Beneficiary Lari TVC:
 Name Anthony Kigotuo Sign [Signature] Date 09/04/25

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Tree planting	Tree planting around the college	Trees planted							
College entrance beautification	College entrance beautification	College entrance beautification							

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Appendix V: Reporting on Disaster Management Expenditure

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