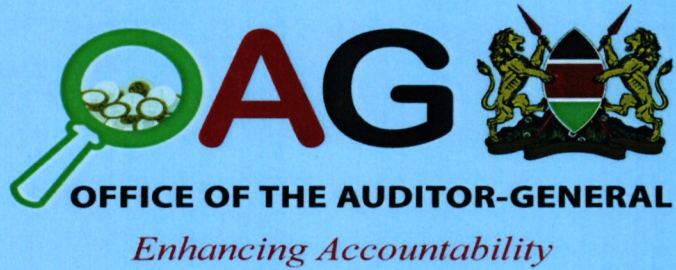


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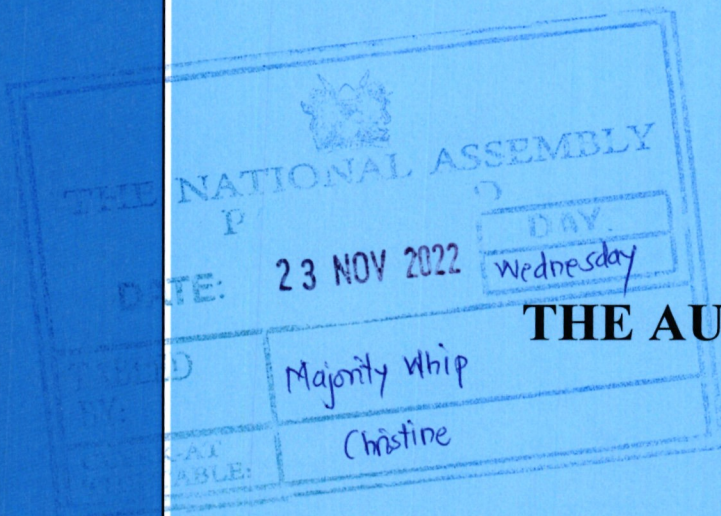
OF

THE AUDITOR-GENERAL

ON

**KAKRAO TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2021**





KAKRAO TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH JUNE 2021**

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The *Kakrao Technical and Vocational College* was established under the TVET Act 2013 commenced operations on February 05 2021. The College is domiciled in Kakrao shopping centre approximately 4 km from Kakrao centre Migori county- Kenya. The institution is a public institution and is under the Ministry of Education.

(b) Principal Activities

The principal activity of Kakrao Technical and Vocational College is to train students in business and technical courses.

Our Vision

To be a TVET centre of excellence in technical, science and business courses

Our Mission

To equip trainees with knowledge, skills and attitude relevant for the 21st century and beyond

Our Strategic Objectives

- To achieve Financial Viability and Sustainability
- To develop a Strong and Well-managed Institution
- To provide quality Education and Technical Training
- To improve Corporate Governance and Image
- To expand and improve the Physical Facilities
- To enhance Risk Management, Disaster Preparedness and promote Environmental Sustainability

Our Core Values

- Integrity
- Innovation
- Practicability
- Teamwork
- Environmental Sustainability

(c) Key Management

The day-to-day management of the College is exercised by the following key organs:

- Board of Governors
- Principal / Board Secretary
- Principal's Management Committee
- HOD's

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(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

S/No	Designation	Name
1.	Principal	Felix B. Odhiambo
2.	Ag. Deputy Principal	Collins Owino
3.	Ag. Registrar	Ann Lavenda Omollo
4.	Ag. Dean of Students	Jackline Okwiri
5.	Ag. Finance Manager	Simon Ochieng Otieno
6.	Ag. Supply Chain Manager	Mark Onyango
7.	Ag. Human Resource Manager	Samuel Onyango

(e) Fiduciary Oversight Arrangements

Board Committees	Members	
Administration Finance and Infrastructure	Mitende N. Nyapete	Chairman
	Matunga Denish A.	Member
	Vivian K. Ratemo	Member
	Tom Otieno Olango	Member
	Felix B. Odhiambo	Secretary
Audit, Risk and Compliance (ARC) Committee	Mmbone M. Avelinah	Chairman
	Dr. Philip O. Mwabe	Member
	Carolyne A. Odera	Member
	Gichana Evarastus	Secretary/Auditor
Education, Research and Training Committee	Dr. Carolyne A. Odera	Chairperson
	Vivian K. Ratemo	Member
	Mitende N. Nyapete	Member
	Tom Otieno Olango	Member
	Felix B. Odhiambo	Secretary

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(f) Entity Headquarters

P.O. Box 308, 40400
Suna-Migori
Kisii-Isebania Road
Migori County,
KENYA

(g) Entity Contacts

Telephone: (254) 0101905052 / 0748805052
E-mail: kakraotvc20@gmail.com/kakraotvc@yahoo.com
Website:

(h) Entity

Kenya Commercial Bank Limited
Migori Branch

Cooperative Bank Ltd
Kisii Branch

(i) Independent Auditors




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

(j) Principal Legal Adviser




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

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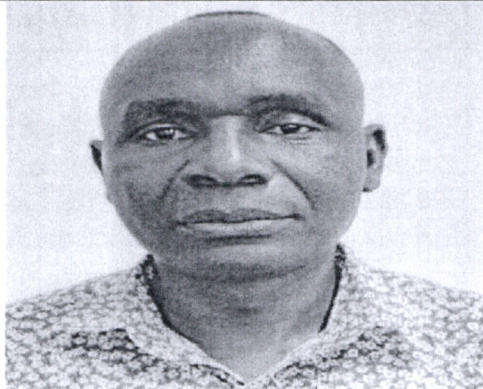

II. BOARD OF GOVERNORS

 <p>1. Charles Oyugi Owino BOG Chairperson</p>	<p>D.O.B: 04/12/1952 Qualifications and work experience 1983- Institute of Bankers Exams and qualified as a member of the Institute, London Chapter 1983-1985- Financial Economics M.A degree- University of Wales, U.K 1974-1977- Bachelor's degree - Economics option 2002-2007- Member of Parliament for Migori Constituency 1999-2001- Lecturer at Kenyatta University and Kenya Institute of Management studies 1994-Member of board of directors for the Lake Basin Development Authority 1992-1997- Member of Parliament for Migori constituency 1977- 1989- Joined NBK and later became a Branch manager (NBK LTD KISUMU BRANCH)</p>
 <p>2. Dr Carolyne A. O. Kokeyo BOG Member</p>	<p>DOB: 16th January 1974 Qualifications and work experience Dr Carolyne holds a PhD in Communication Studies in Educational Leadership. She is an accomplished scholar with a teaching experience of over 21 years. She has also published in various refereed journals.</p>
 <p>3. Mmbone Mercyline Avelinah BOG member</p>	<p>DOB: 01/11/1986 Qualifications and work experience Holds MBA in finance-Masinde Muliro University of Science and Technology Completed CPA. Part time lecturer at MMUST 2015-2019 Vihiga county government as education fund administrator. Has also worked at the lake Victoria north water board-Kakamega in the audit department</p>
	<p>DOB: 29th November 1981 Qualifications and work experience March 2018 Master of Science in Information Technology Security and Audit-JOUST</p>

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 <p>4. Mitende Nicholus Nyapete BOG member</p>	<p>October 2012- Bachelor of Business and Information Technology- St. Paul's university Mr.Nyapete is a lecturer at St. Paul's university He has been involved in a number of research projects of ICT and development. He has published many journals in IT. He is a certified SAP finance module consultant.</p>
 <p>5. Dr.Philip Ogwari Mwabe BOG Member</p>	<p>DOB: 4th December 1959 Qualifications and work experience 1993- PHD in chemical engineering (minor in mechanical engineering) - university of Arizona, Tucson, USA. 1983- mechanical engineering, university of Greenwich, London, UK Registered with NEMA as a lead environmental impact assessment/ environmental audit expert. Works as the deputy team leader, Mombasa solid waste management project 2006-present- chairman Kenya Institute of Waste Management 1997- Present- Lecturer Mechanical Engineering- UON Has also engaged in a lot of field services and projects</p>
 <p>6. Vivian Kemunto Ratemo BOG member</p>	<p>DOB: 15th March 1995 Qualifications and work experience 27/10/2016-Bachelor of Laws- Kabarak university Participated in a number of international conferences while at the University Have been signed the Roll of Advocates of the High Court of Kenya. She is an advocate of the High Court of Kenya.</p>

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 <p>7. Dennish Ateto Matunga BOG member</p>	<p>DOB: 4th June 1979</p> <p>Qualifications and work experience Holds PHD in supply chain management-JKUAT Holder of CPSP-K and KISM 2013- to date - part time lecturer at JOOUST and JKUAT, exams and post-graduate coordinator 2013-2015- regional sales manager, KLB 2009-2013- educational sales representative (ESR), KLB</p>
<p>8. Tom Olango Regional Director TVET</p>	<p>DOB: Mr Tom Olango is currently the regional TVET Director in charge of Migori, Nyamira, Kisii and Homa Bay counties</p>
 <p>9. Felix Barclays Odhiambo BOG Secretary/Principal</p>	<p>DOB: 09/09/1969</p> <p>Qualifications and work experience Holds a BaTech in Electrical and Electronics from TUM University and a Diploma in Tech. Education from KTTC. Has been a TVET Trainer for over 29 years, a HOD for over 15 years and a registrar for two years.</p>

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III. MANAGEMENT TEAM

The key management personnel who held office during this quarter ended 30th June, 2021 and who had direct fiduciary responsibility were:

MANAGEMENT TEAM



Principal
Felix B. Odhiambo
Secretary to Board/Principal



Collins Owino
Ag. Deputy Principal
HOD Mechanical Engineering



Ag. Registrar
Mrs. Anne Lavender

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Ag. Dean of Students
Jackline Okwiri



Ag. Finance Officer
Simon O. Ochieng
Bachelor's Degree in BBM (Accounting Option)



Ag. Procurement Officer
Mr. Mark Onyango

Mr. Samuel Onyango

Ag. HR Officer
Dip HRM

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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IV. CHAIRMAN's STATEMENT

Kakrao Technical and Vocational College is a new TVET institution. It opened its doors on 15th February 2021, admitting its first batch of students.

The Board of Governors was subsequently appointed by the Cabinet Secretary for Education Professor George Magoha and held its inaugural meeting on 4th February, 2021. On behalf of the entire Board, I would wish to thank the Cabinet Secretary for this appointment.

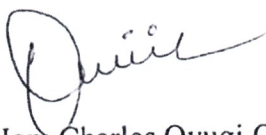
The Board therefore embarked on a mission to put in place systems, policies, procedures and other frameworks to enable full operationalization of the College. Subsequent to this the Board has already approved the Kakrao Technical and Vocational College Strategic Plan 2021-2026. In addition to the Strategic Plan, the Board has already approved the, internal quality assurance policy industrial attachment policy, examination Policy, Financial Policy and Audit and Risk Management Policy. Various Operating Procedure Manuals are also in place. The Board has also put in place its own Board Charter, Board Committees Terms of Reference and Board and individual board member evaluation

The College however faced a myriad of problems inter alia financial resources. There were also problems experienced due to lack of water, electricity, partially fenced compound, no training machinery, equipment and furniture. The closure of the institution as part of the nationwide strategy of containment of the Covid-19 pandemic also affected the mobilization of trainees.

However, the future looks bright. The Board has entrusted day to day running of the institution to management headed by the Principal who together with the staff ensures that policies put in place by the Board are adhered to, the reports in all operational areas are reported to the Board to oversight whether targets set are met.

The Board intends to embark on massive resource mobilization, additional policy formulation, link the institution with key stakeholder groups, enhance sustainability and monitor achievement of targets. The Board gives an assurance on continued support to management as they exercise their oversight role for effective performance.

Thank you



Hon. Charles Oyugi Owino

CHAIRMAN

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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V. REPORT OF THE PRINCIPAL

Introduction

Kakrao Technical and Vocational College opened its doors during this financial year. The 1st Principal reported to the institution on January 2020, where the institution was officially handed over by the mentor Kisii National Polytechnic and Rongo University. The College then comprised of a single incomplete block building. The main building was partially empty – no adequate furniture, equipment and machinery. There was a partial fence round the compound. There was also no water or electricity. Registration of the College with TVETA had also not been done.

The College has now registered with the following bodies i.e., KUCCPS, HELB and KATTI. Electricity connectivity has been done though requisite payments have been made. Water continues to be a problem but a 10,000 litre tank donated by the Migori County Women Rep. has been installed.

The Cabinet Secretary for Education, Professor George Magoha appointed the Board of Governors headed by Hon. Charles Oyugi Owino that has been steering the College. The team has ensured that the College has become operational.

The College opened its doors to trainees on 15th February 2021 and by the close of the financial year, it had registered 244 trainees. The PSC has already posted 5 trainers and the remaining 22 trainers are serving on a contract basis having been recruited by the BoG during the 2021/2022 financial year.

The management under the direction of the BoG has already documented various operating procedures to guide its operations. It continues to develop more operating procedures. The Board plans a 5-year Strategic Plan which is already under implementation. Likewise, the Board has already approved the Academic Policy, Finance Policy, and Human Resource Policy. Other policies are under consideration.

Operational Results

Financial resources have been a big challenge in the just ended financial year.

At the close of the financial year, the College had received Ksh 2,000,000 grant from GoK. The College therefore had total income of Ksh 10,558,463 against total expenditure of Ksh 4,379,859 giving a surplus of Ksh 6,178,604. Fee collection remains a challenge for the self-sponsored students. However, the College is now fully registered with HELB and all the trainees with fee challenges have been encouraged and assisted to apply. Since the College is already registered with KUCCPS, it is hoped that capitation will start to flow into the College to assist in its operations.

We hope to fence and secure the College compound as well as work towards getting a regular electricity and water supply. The ministry has also promised to supply machinery within the FY 2021/2022. In addition, in conjunction with CDF and other donors, more infrastructural improvements will be witnessed in FY 2021/2022.

COVID-19 Pandemic

With the emergence of COVID-19 pandemic, the College facilities have become more strained because of the Ministry of Health's requirements i.e.

- a) Social distancing in classrooms and workshops.
- b) Installation of more water points in the institution.
- c) Improved and increased sanitation for our students and staff is necessary

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d) Need for more gun thermometers and sanitizers.

Achievements

In the brief period that the College has been in operation it is noted with great pleasure that a number of achievements have been made despite the acute resource constraints.

- Given that the institution was being operationalized, the estimated number of students in the FY 2020/2021 was 100. However, we realized a total of 244 students. This is due to the appropriate marketing strategy put in place.
- Acquisition of training furniture: 90 lecture/plastic chairs and 12 technical drawing tables.
- Construction of ten-door pit latrine (75% completed) and repair of two door pit latrine
- Partial landscaping and tree planting
- Improving the Food and Beverage and Hair Dressing and Beauty Therapy classes to enhance learning environment.

Governance

The BoG executed their duties well during the year. The meeting attendances are stated under corporate governance statement. There were no conflicts of interest recorded during the year under review.


The College is managed by the Principals Management Committee (PMC) which comprise of all top management staff. During the year under review, the PMC also executed their role well.

Conclusion

Finally, I would like to express my special thanks to the Kakrao Technical and Vocational College stakeholders, especially the community and CDF, for the support that they offered to the institution. Special mention also goes to the staffs who worked tirelessly to ensure smooth operation of the institution. The Board is also commended for providing effective leadership and oversight in driving forward the College.

We will continue to be guided by our motto "*Technology for Creativity*".

Thank You



Felix B. Odhiambo
PRINCIPAL/ BOG SECRETARY

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**VI. REVIEW OF KAKRAO TECHNICAL AND VOCATIONAL COLLEGE 'S
PERFORMANCE FOR FY 2020/2021**

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

Kakrao Technical and Vocational College has 6 strategic pillars and objectives within its Strategic Plan for the FY 2021/2022- 2021/2025. These strategic pillars are as follows:

- Pillar 1: To achieve financial viability and sustainability,
- Pillar 2: To develop a strong and well-managed institution,
- Pillar 3: To provide quality education and technical training
- Pillar 4: To improve corporate governance and image,
- Pillar 5: To expand and improve the physical facilities,
- Pillar 6: To enhance risk management, disaster preparedness and promote environmental sustainability

Being the first year that the Strategic Plan is in operation, Technical and Vocational College has developed its Annual Work Plans based on the above 6 pillars. Assessment of the Board's performance against its annual work plan will be done on a quarterly basis.

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VII. CORPORATE GOVERNANCE STATEMENT

We believe in good corporate governance as an institution. The Board provides leadership through oversight, review and guidance whilst setting the strategic direction.

The Board which has an appropriate mix of skills, knowledge and experience to perform its role effectively was inaugurated on 4th February 2021.

Board meetings are held quarterly and as and when the need arises. The College ensures that it provides the necessary resources and expertise to the Board to assist it in their decision-making. The Ministry of Education is also regularly consulted on key policy matters.

General Responsibilities

The Board has a duty to the people of Kenya to ensure that Kakrao Technical and Vocational College achieves its objectives efficiently and effectively and in compliance with PFM Act, 2012, TVET Act 2013, all relevant Acts of Parliament and all Ministry directives and guidelines issued from time to time

The statutory functions of the Board include:

Overseeing the conduct of education and training in the institution in accordance with the provisions of TVET Act 2013;

- Promoting and maintaining standards, quality and relevance in education and training in the institution in accordance with TVET Act 2013 and any other written law;
- Administering and managing the property of the institution;
- Developing and implementing Kakrao Technical and Vocational College Strategic Plan
- Preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institution;
- Receiving, on behalf of the institution, fees, grants, subscriptions, donations, requests or other moneys and to make disbursement to the institution or other bodies or persons;
- Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act 2013;
- Mobilizing resources for the institution;
- Developing and reviewing programmes for training and to make representations there on to TVETA Authority Board;
- Regulating the admission and exclusion of students from the institution, subject to a qualifications framework and the provisions of TVET Act 2013;
- Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by TVETA Board;
- Recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
- Determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institution in consultation with TVETA Board;
- Making regulations governing organization and conduct and discipline of staff and students;
- Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the TVET Board;
- Providing for the welfare of the students and staff of the institution;
- Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institution; and
- Discharging all other functions conferred upon it by the TVET Act 2013 or any other written law.

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Risk Management and Internal Controls

The Board has overall responsibility for the establishment and oversight of the institution's risk management frameworks. The Risk Management Policies are established to identify and analyse the risks faced by the institution and to set appropriate risk limits and controls, and to monitor adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in operating conditions, legislation and services offered. Subsequently, the institution identifies and manages risk through in-house risk review enhanced by compliance, internal and external audits.

The Institution has in place a system of internal controls with defined operating procedures, financial and operational controls to ensure that resources are safeguarded; transactions authorised, validated and reported in line with International Public-Sector Accounting Standards.

Conflicts of interest

All Board members are under a duty to avoid any conflicts of interest. This entails not engaging, directly or indirectly in any business that competes or conflicts with the institution's business.

The Board has established robust process requiring members to disclose outside business interests that would conflict with institutions interests.

Compliance

The Board confirms that it is satisfied that the though the institution currently has inadequate resources it can continue operating for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.

The Board is satisfied that the institution as to the best of their knowledge complied with all relevant laws and conducted its business affairs in accordance with the law in particular to;

- The Constitution of Kenya, 2010
- TVET Act, 2013
- PFM Act, 2012
- Procurement and Assets Disposal Act, 2015
- IPSAS standards.
- Mwongozo
- All other relevant laws in its operation (regular circulars from Treasury and Ministry of Education)

Kakrao Technical and Vocational College also has internal policies it uses in its operation. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled.

These policies are inter alia; Financial Management Policy, Procurement Policy, and Academic Policy.

BOARD AND BOARD COMMITTEE MEETING ATTENDANCE FOR THE YEAR ENDED 30TH JUNE 2021

FULL BOARD

No	NAME	4 th February 2021	7 th April 2021	12 th May 2021
1	Hon. Charles Oyugi Owino	✓	✓	✓
2	Dr. Carolyne A. Odera	✓	✓	✓
3	Mmbone M. Avelinah	✓	✓	✓
4	Mitende N. Nyapete	✓	✓	✓
5	Dr. Philip O. Mwabe	✓	✓	✓
6	Vivian K. Ratemo	✓	✓	✓

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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7	Matunga A. Denish	✓	✓	✓
8	Tom Otieno Olango	✓	✓	✓
9	Felix Barclays Odhiambo	✓	✓	✓

**ADMINISTRATION, FINANCE AND INFRASTRUCTURE (AFI) COMMITTEE MEETING
FOR THE YEAR ENDED 30TH JUNE 2021**

No.	NAME	
1	Mitende N. Nyapete	
2	Matunga A. Denish	
3	Vivian K. Ratemo	
4	Tom Otieno Olango	
5	Felix Barclays Odhiambo	

**EDUCATION, RESEARCH AND TRAINING (ERT) COMMITTEE MEETING FOR THE
YEAR ENDED 30TH JUNE 2021**

No.	NAME	19 th April 2021
1	Dr. Carolyne A. Odera	✓
2	Mitende N. Nyapete	✓
3	Vivian K. Ratemo	✓
4	Tom Otieno Olango	✓
5	Felix Barclays Odhiambo	✓

As mentioned earlier, the Board held its first meeting at inauguration date. Subsequently, it has approved the following board governance documents;

Board Charter

Board Terms of Reference

Board Appraisal

Board members individual self-appraisal

FIRM Committee Terms of Reference

ERT Committee Terms of Reference

Board Work Plan

All other activities of the Board are as governed and directed by the TVET Act 2013, other relevant acts of Parliament and government directives and guidelines issued from time to time.

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VIII. MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

This discussion and analysis provide an overview of the results of activities and financial position of Kakrao Technical and Vocational College. Being the first year of operation, comparative information is unavailable. This overview has been prepared by management and should be read in conjunction with the financial statements and the notes that follow

FINANCIAL HIGHLIGHTS

Revenue

Kakrao Technical and Vocational College's revenue stood at Ksh 10,558,463. The student population at the close of the financial year stood at 244 trainees.

It is hoped that in FY 2021/2022, income of the institution will increase as a result of successful registration with HELB and KUCCPS.

Expenditure

Total expenditure stood at Ksh 4,379,859.00

It should be noted that employee costs stood at 19.84% of total costs. This is below the recommended ceiling of 30%.

Board expenses stand at 25.42% of total expenditure. This is above the recommended 5%. There is therefore need to generate more income to lower this %.

Use of goods and services is at 54.51% of total expenditure. This comprises basically of expenses incurred to operationalize the College. It is worth noting that due to lack of machinery, trainers have not carried out adequate practical lessons.

Compliance with Statutory Requirements

The College is operating under legal frame works necessary under public sector requirement such as;

- The Constitution of Kenya, 2010
- TVET Act, 2013
- PFM Act, 2012
- Procurement and Assets Disposal act, 2015
- IPSAS standards.
- All other relevant laws in its operation (regular circulars from treasury and ministry of education)

The College has also internal policies it uses in its operation. These policies are in line with all the relevant laws stated above and only direct the specific operations on how tasks are handled. The Board has already approved the Academic Policy, Financial Management Policy and Procurement Policy. Other policies will be approved in the FY 2021/2022.

Risk Analysis

Operational Risks

The Board has overall responsibility for the oversight of the College risk management framework. The College is developing risk management policies to identify and analyse the risks faced by the College, set appropriate risk limits and controls and monitor risks and adherence to limits. These risk management policies and systems will be reviewed regularly to reflect the changes in economic conditions and the College activities. The Principal will then oversee how management monitors compliance with the College risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the College.

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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The College faces a high level of competing interests for resources. There is a high level of competition for trainees in the College catchment area from other public and private TVET Colleges within the region.

The College financial assets comprise of receivables, cash and short-term deposits which arise directly from its operations. The financial liabilities comprise of payables including a loan taken from the mentor institution. The College is therefore exposed to both liquidity risks and credit risks.

Liquidity Risk

This is the risk that the College will not meet its financial obligations as they fall due. There is therefore need to increase the number of trainees to cover the fixed costs. The College's approach managing liquidity is to ensure as far as possible, that there is always sufficient liquidity to meet liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking to damage the College's reputation. Typically, the College ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days including the servicing of financial obligations. This however does not include the potential impact of extreme circumstances that cannot be reasonably predicted such as political violence. All liquidity policies and procedures are subject to review and approval by the Board. It is very important to note that the College faces a liquidity risk of non-receipt of capitation grants from GoK which may prevent it from meeting its financial obligations as and when they fall due.

Credit Risk

Credit risk is the risk of financial loss to the College if a customer or counter party to a financial instrument fails to meet its current obligations. The receipt of fees from students minimizes the credit risk exposure. The College has a policy on fee payment which defines how and when fees are supposed to be paid. This minimizes the credit risk exposure.

It important to note that the College is envisaged that this will greatly improve its operational efficiency.

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IX. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Kakrao Technical and Vocational College exists to transform lives. This is our purpose; the driving force behind everything we do. This is what guides us to deliver our strategy of putting the customer first, delivering relevant goods and services and improve operational excellence.

Sustainability Strategy and Profile

The College's approach to sustainability is based on the College mission to expand human knowledge beneficial to society through high quality training, applied research and practicability in partnership with industry players.

The institution recognises the importance of sustainable growth and has initiated programmes to generate income to cushion its operations. It also is establishing policies and programmes that are needed to promote sustainable development especially at local and regional level. The College will also sign an MOU with at least two industry players to among others enhance its capability to generate income in collaboration with industry.

Sustainability is also incorporated into student learning through both curricular and co-curricular programs by introducing practicability into the programmes as well as incorporating on job practical training. Programmes have also been planned aimed at increasing the capacity and capability of the trainers through development workshops and trainings.

Research and innovation are an important component of sustainability. In the FY 2021/2022 budget estimates, a total amount of Ksh. **607,500** representing **1.43%** of Kakrao Technical and Vocational College annual budget, has been allocated for research and innovation activities.

As mentioned earlier, in the FY 2021/2022, the College in its approved annual work plan, under the performance contract guidelines, has committed to developing partnerships and linkages with industry to provide learning opportunities for trainees, applied research opportunities for trainers and benefit to community.

Our physical facilities include halls and grounds serve the community. Sports facilities especially the fields are open for use by the community on arrangement but free of any charges.

We will continue to engage with key stakeholders to achieve sustainability strategies in line with international best practice.

Environmental Performance

Kakrao Technical and Vocational College strives to be a responsible business representing the highest standards of ethics and professionalism. We have reviewed the global best practice guidelines and standards including IPSAS, in order to help inform relevant policy areas. It is therefore important that Kakrao Technical and Vocational College is aware of current environmental issues and informs, educates and stand with the local community to improve the environment.

Our institution's social responsibilities are defined by both compliance and pro-activeness. Kakrao Technical and Vocational College, compliance refers to our commitment to upholding all legal requirements, and our willingness to observe, acknowledge, and respect community values and laws.

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Our pro-activeness is manifested by emphasizing and recognizing human rights locally and globally, and actively engaging with our communities through volunteering, community service, pro-bono service, and philanthropy, while always protecting and respecting our natural environment through our actions and policies. This can be seen in the way the College engaged in tree planting within the compound to improve the environment.



Staff of the Kakrao Technical and Vocational College planting trees during tree planting day in April 2021.

As an institution, we implement policies and take action to drive diversity and inclusion by providing an inclusive environment where all are empowered to share their diverse perspectives and experiences so we can ultimately be better together. Our policies, practices, programs, activities, and decisions regarding employment, hiring, assignment, promotion, compensation, volunteerism, and internships are not based on a person's ethnicity, colour, sex, age, religion, national origin, mental or physical disability, ancestry, sexual orientation, gender identity or expression, marital status, source of income, parental status, housing status, or other protected status. We strongly encourage women, youth, persons with disabilities, and members of the community to join the institution and live our shared values.

Kakrao Technical and Vocational College will always:

- Respect and uphold applicable local, county, and national laws to the best of our abilities
- Honour and review all internal policies for complete and responsible implementation
- Ensure that all business transactions and relationships are legitimate, free of influence and bribery
- Keep all partnerships and collaborations transparent and open

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- Recognize that privacy is a fundamental right, and we will comply with all privacy laws and expectations. In addition, we will work whenever possible to ensure that we respect the ability for all to manage their personal data.

Kakrao Technical and Vocational College values our natural environment and the need to protect it. Keeping our environment unpolluted and clean is paramount to the success of our communities and business. We will always follow best practices in disposal of garbage, compost, and seek out working facilities that strive to minimize their carbon footprint through National Environmental Management Authority (NEMA) certification and other environmentally sustainable best practices.

Employee Welfare

We recognize the value of human relationships and put people at the heart of our business. We seek to treat all staff fairly and consistently, to create a workplace and business environment that is open, transparent, and trusted. Aligned with this approach, all members of the Kakrao Technical and Vocational College are required to conduct their activities in accordance with our codes and policies, as they are implemented and updated from time to time.

Kakrao Technical and Vocational College respects all employees, and strive to make their experience a positive one in all aspects of their relationship with the institution. Our success is closely tied to staff happiness, growth, development, and teamwork, and we work to assess, measure and support the personal and professional growth of our employees at all times, recognizing that the success of Kakrao Technical and Vocational College is led first by the success and happiness of our people.

We require our staff to act according to the highest standards of honesty and integrity as well as comply with all legal and regulatory requirements, which extend to the protection of human rights.

As an institution, we will always ensure that we do not risk the health and safety of our employees and community, we avoid harming the lives or safety of local and indigenous people, and we respect the basic human rights of all people, involved in our business. Kakrao Technical and Vocational College is dedicated to protecting human rights. We practice and commit to equal opportunity employment and will always abide by fair labour practices. Additionally, Kakrao Technical and Vocational College will ensure that our activities do not directly or indirectly violate human rights in any way.

Market Place Practices

Diversity and inclusion are deeply ingrained in all aspects of our mission. These are core values to our institution because they are aligned to our institution's ethics. These policies also have the added value of improving training performance. Studies show that more diverse teams perform better, and institutions that have more inclusive environments also experience less turnover, have higher internal morale, and higher productivity rates from their employees. This commitment extends beyond the employee base to the highest levels of ownership and the administrative team.

We believe successfully inclusive workplaces begin with thoughtful hiring and recruiting processes that reduce subconscious bias in candidate selection and increase the overall diversity of our workforce. We employ industry-leading methodologies, processes, and technology to attract diverse talent pools, counteract bias, and match the best talent to the needs of our clients. Our methodology includes publishing gender neutral job descriptions. Our policies, practices, programs, activities, and decisions regarding employment, hiring, assignment, promotion, compensation, volunteerism, and internships are

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not based on a person's ethnicity, colour, sex, age, religion, national origin, disability status, sexual orientation, source of income, parental status, housing status, or other protected status. And to help foster the most inclusive climate possible, we will provide ongoing diversity and inclusion training to all employees, not just our management teams. We believe this is the only way to truly shape a more safe, open, and productive work environment at all levels of our training.

It is a commitment to continual learning, improvement, and action to do our part in stewarding a future of work that is beneficial and equitable for all.

Kakrao Technical and Vocational College has qualified supply chain manager who participates appropriately according to procurement standards thus ensuring that the procurement process has a smooth flow. The supplier and supply chain relation are perfectly respectable by having prompt communication to avoid misunderstanding between them thus supply of quality goods. Product stewardship is enhanced by safeguarding consumer rights and interests.

As part of our procurement policy, we expect all of our suppliers to abide by the same principles and codes of conduct that we have in place. Accordingly, our suppliers must either agree to adhere to our policies and codes or confirm their adherence to their own codes of business conduct that comprise the same principles. We will be implementing a "right to audit" clause in our standard terms or conditions to allow for oversight of compliance with these provisions.

We believe that our commitment to sustainability and ethics extends beyond our own work capabilities and should include the decisions we make as a company about the partners we align with, and the products and services we buy. Our purchasing policy takes sustainability and ethical sourcing into consideration throughout all stages of the buying cycle, and we encourage our teams to support local and small businesses and support local economies. We encourage our purchasing teams to consider ethical sourcing and sustainability across all purchases. Kakrao Technical and Vocational College expects our suppliers to treat workers and employees with respect and fairness, to have suitable procedures in place, and to act in accordance with applicable laws.

Community Engagements

As noted in our mission statement, Kakrao Technical and Vocational College recognizes an expectation to have a positive impact on our community, and we promote this expectation through philanthropy, pro-bono service work, volunteering, and community service.

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X. REPORT OF THE BOARD OF GOVERNORS

The Board members submit their report together with the audited financial statements for the year ended June 30th, 2021 which show the state of Kakrao Technical and Vocational College's affairs.

Principal activities

The principal activities of Kakrao Technical and Vocational College are to provide training in technical and vocational skills, research, innovation and management services. In addition, the College participates in technological innovation beneficial to the society as well as contributing to industrial and technological development of Kenya in partnership with industry.

Results

The results of Kakrao Technical and Vocational College for the year ended June 30th 2021 are set out on pages 1-5

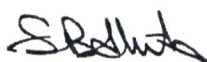
BOARD OF GOVERNORS

The members of the Board who served during the year are shown on page vi-viii

Auditors

The Auditor General is responsible for the statutory audit of Kakrao Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. However, being the first year of operation there were no previous financial statements to be audited.

By Order of the Board



Felix Barclays Odhiambo
Principal/Secretary to the Board
Date:

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XI. STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the Board members to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of Kakrao Technical and Vocational College at the end of the financial year/period and the operating results of Kakrao Technical and Vocational College for that year/period. The Board members are also required to ensure that Kakrao Technical and Vocational College keeps proper accounting records which disclose with reasonable accuracy the financial position of Kakrao Technical and Vocational College. The Board members are also responsible for safeguarding the assets of Kakrao Technical and Vocational College.

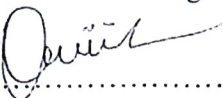
The Board members are responsible for the preparation and presentation of Kakrao Technical and Vocational College's financial statements, which give a true and fair view of the state of affairs of Kakrao Technical and Vocational College for and as at the end of the financial year ended on June 30, 2021. 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 Kakrao Technical and Vocational College; (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 Kakrao Technical and Vocational College; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Kakrao Technical and Vocational College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The Board members are of the opinion that Kakrao Technical and Vocational College's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of Kakrao Technical and Vocational College's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Kakrao Technical and Vocational College, which have been relied upon in the preparation of Kakrao Technical and Vocational College's financial statements as well as the adequacy of the systems of internal financial control.

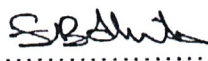
Nothing has come to the attention of the Board members to indicate that Kakrao Technical and Vocational College will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Kakrao Technical and Vocational College financial statements were approved by the Board on **23/07/2021** and signed on its behalf by:


.....

Chairperson of the Board


.....

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 KAKRAO TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021

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.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management, and governance systems are properly designed and were working effectively in the financial year under review.

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 Kakrao Technical and Vocational College set out on pages 1 to 27, which comprise of the statement of financial position as at 30 June, 2021 and the statement of financial performance, the statement of changes in net assets, statement of cash flows and the statement comparison of budget

Report of the Auditor-General on Kakrao Technical and Vocational College for the year ended 30 June, 2021

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

In my opinion, except for the effects of the matter 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 Kakrao Technical and Vocational College as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.382,050 as disclosed in Note 30 to the financial statements. However, the balance excludes values of land measuring approximately 2.2 hectares, computers, furniture, and among other assets. Further, these assets were not included in the assets register.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.382,050 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.31,017,900 and Kshs.10,558,463 respectively, resulting in an under-funding of Kshs.20,459,437 or 66% of the budget. Similarly, the College spent an amount of Kshs.4,618,859 out of the approved expenditure budget of Kshs.31,017,900, resulting in an under expenditure of Kshs.26,399,041 or 85% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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 matters 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

1. Non-Compliance with Law on Ethnic Composition

The College had twenty-seven (27) employees out of which twenty-four (24) or 89% of the total number were members of the dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, “all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community”.

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

2. Failure to Deduct and Remit Statutory Deduction

Examination of the payroll revealed that the College did not deduct and remit to National Social Security Fund and National Hospital Insurance Fund members’ contributions. This was contrary to Section 14 of the National Social Security Fund Act, 2013, and National Hospital Insurance Fund Act, 2008 which require employers to make deductions and remit them promptly.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and the Board of Governors

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the College's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit

report. However, future events or conditions may cause the College to cease to continue to sustain its services.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 September, 2022

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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XIII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the National Government – grants	6	2,000,000	-
Revenue from exchange transactions			
Rendering of services- Fees from students	10	5,396,883	-
Other income	13	3,161,580	-
Revenue from exchange transactions		8,558,463	
Total revenue		10,558,463	
Expenses			
Use of goods and services	14	2,045,030	-
Employee costs	15	1,108,100	-
Remuneration of Board	16	1,113,400	-
Depreciation and amortization expense	17	9,797	-
Repairs, maintenance and Improvements	18	342,532	-
Total expenses		4,618,859	
Other gains/(losses)			
Gain on sale of assets		-	-
Unrealized gain on fair value of investments		-	-
Impairment loss		-	-
Total other gains/(losses)			
Net Surplus for the year		5,939,604	-
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus/(deficit) attributable to owners of the controlling entity		5,939,604	-
		5,939,604	-

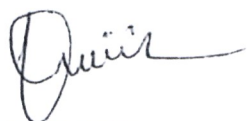
The notes set out on pages 6 to 27 form an integral part of the Annual Financial Statements.

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XIV. STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	25	2,557,765	-
Current portion of receivables from exchange transactions	26	4,119,753	-
Inventories	28	27,201	-
		6,704,719	
Non-current Assets			
Property, Plant and Equipment	30	382,050	-
Total assets		7,086,769	-
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	33	755,318	-
Non-current Liabilities			
Borrowings	38	-	-
Total Liabilities		755,318	-
Reserves		-	-
Accumulated surplus		5,939,604	-
Capital Fund		391,847	-
Total net assets and liabilities		7,086,769	-

The Financial Statements set out on pages 6 to 27 were signed on behalf of the Board of Governors by:



Chairman of Board of Governors



Finance Officer



Principal

Date... 11/05/2022

Date... 11/05/22

Date... 11/05/2022

KAKRAO TECHNICAL AND VOCATIONAL COLLEGE
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XV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2021

	Revaluati on Reserve	Fair value Adjustme nt Reserve	Retained Earnings	Capital/ Developm ent Grants/F und	Total
At July 1, 2019	-	-	-	-	-
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Capital/Development grants received during the year	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2020	-	-	-	-	-
At July 1, 2020	-	-	-	-	-
Revaluation gain	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-
Total Comprehensive Income	-	-	5,939,604	-	5,939,604
Capital/Development grants received during the year	-	-	-	391,847	391,847
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-
At June 30, 2021	-	-	5,939,604	391,847	6,331,451

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XVI. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
Cash flows from operating activities			
Net income		5,939,604	-
Adjustments for:			
Depreciation and amortization	17	9,797	-
Provision for losses on accounts receivables		-	-
Gain on sale of facility		-	-
		9,797	-
Increase/Decrease in trade receivables	26	(4,119,753)	-
Increase/Decrease in inventories	28	(27,201)	-
Increase/Decrease in Trade and other payables from exchange transactions	33	755,318	-
		(3,391,636)	-
Cash generated for operating activities		2,557,765	-
Cash flows from investing activities			
Purchase of property, plant and equipment		-	-
Proceeds from sale of equipment		-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of common stock		-	-
Proceeds from issuance of long-term debt		-	-
Dividend paid		-	-
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		2,557,765	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period		2,557,765	-

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XVII. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance Difference
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue					
Transfers from other government entities- government grants	27,000,000	-	27,000,000	2,000,000	(25,000,000)
Public contributions and donations	-	-	-	-	-
Rendering of services- Fees from students	4,017,900	-	4,017,900	5,396,883	1,378,983
Sale of goods	-	-	-	-	-
Finance Income	-	-	-	-	-
Other Income	-	-	-	3,161,580	3,161,580
Gains on disposal, rental income and agency fees	-	-	-	-	-
Total income	31,017,900	-	31,017,900	10,558,463	(20,459,437)
Expenses					
Employees costs	1,400,000	-	1,400,000	869,100	530,900.00
Use of goods and services	29,085,900	-	29,085,900	2,045,030	27,040,870
Finance costs	-	-	-	-	-
Repair Maintenance Improvement	532,000	-	532,000	342,532	189,468
Depreciation on PPE	-	-	-	9,797	(9,797)
BOG Costs	-	-	-	1,113,400	(1,113,400)
June 2021 salary payable	-	-	-	239,000	(239,000)
Total expenditure	31,017,900	-	31,017,900	4,618,859	26,399,041
Surplus for the period	-	-	-	5,939,604	5,939,604

Budget notes

Given that this was the first year of operation, there is no previous budget for comparison purposes. There was a deficit in the general performance in comparison to the budget due to underfunding from the National government.

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XVIII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kakrao Technical and Vocational College is established by and derives its authority and accountability from TVET Act. Kakrao Technical and Vocational College is wholly owned by the Government of Kenya and is domiciled in Kenya. Kakrao Technical and Vocational College's principal activity is training.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Kakrao Technical and Vocational College'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 the notes.

The financial statements have been prepared and presented in Kenya Shillings (Kes), which is the functional and reporting currency of Kakrao Technical and Vocational College.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, Ministerial Guidelines, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting

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Standard	Effective date and impact:
	treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by Kakrao Technical and Vocational College; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on Kakrao Technical and Vocational College's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2022: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

ii. Early Adoption of Standards

Kakrao Technical and Vocational College did not early – adopt any new or amended standards in year 2020.

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 Kakrao Technical and Vocational College and can be measured reliably. Recurrent grants are recognized in the Statement of Comprehensive Income. Capital grants are recognized in the Statement of Financial Position and realised in the Statement of Comprehensive Income over the useful life of the assets that has been acquired using such funds

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ii) Revenue from exchange transactions

Rendering of Services

Kakrao Technical and Vocational College recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

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 Kakrao Technical and Vocational College.

In FY 2020/2021 there was no sale of goods.

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

Kakrao Technical and Vocational College currently does not earn any rental income.

b) Budget Information

Kakrao Technical and Vocational College'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 a 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 basic 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 not been presented as this is the first year of operation.

c) Taxes

Current Income Tax

In FY 2021/2021 there were no income taxes to be paid.

Value Added Tax

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

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- When the VAT tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT 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 VAT tax included.

The net amount of VAT 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

Kakrao Technical and Vocational College currently does not have any investment properties

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 of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, Kakrao Technical and Vocational College 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

Kakrao Technical and Vocational College currently does not have any Finance lease or Operating lease.

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. Kakrao Technical and Vocational College currently does not have any intangible assets.

i) 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

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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 are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Kakrao Technical and Vocational College.

j) Provisions

Provisions are recognized when Kakrao Technical and Vocational College has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where Kakrao Technical and Vocational College expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent Liabilities

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

Contingent Assets

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

k) Nature and Purpose of Reserves

Kakrao Technical and Vocational College creates and maintains reserves in terms of specific requirements. *Currently there are no specific reserves.*

l) Changes in Accounting Policies and Estimates

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

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m) 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.

n) 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.

o) Related Parties

Kakrao Technical and Vocational College regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over Kakrao Technical and Vocational College, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

p) Service Concession Arrangements

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

q) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held 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.

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r) Comparative Figures

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

s) 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, 2020.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Kakrao Technical and Vocational College '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. Kakrao Technical and Vocational College 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 Kakrao Technical and Vocational College.

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

Provisions

There were no provisions made for the FY 2020/2021

6 TRANSFERS FROM NATIONAL GOVERNMENT MINISTRIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Unconditional grants		
Operational grant	2,000,000	-

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Other grants	-	-
	2,000,000	
Conditional grants		
Library grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Learning facilities grant	-	-
Other organizational grants	-	-
Total government grants and subsidies	2,000,000	-

6b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of entity sending the grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2020/2021
			Kshs	Kshs	Kshs
Ministry of Education	2,000,000	-	-	2,000,000	-
Total	2,000,000	-	-	2,000,000	-

7 GRANTS FROM DONORS AND DEVELOPMENT PARTNERS

No grants were received from donors and development partners for FY 2020/2021

8 TRANSFERS FROM OTHER LEVELS OF GOVERNMENT

No transfers were received from other levels of government

9 PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2020-2021	2019-2020
	Kshs	Kshs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from alumni	-	-
Other donations	-	-
Total donations and sponsorships	-	-

10 RENDERING OF SERVICES

Description	2020-2021	2019-2020
	Kshs	Kshs
Tuition fees and other related charges	5,396,883	-
Total revenue from the rendering of services	5,396,883	-

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11 SALE OF GOODS

Description	2020-2021	2019-2020
	Kshs	Kshs
Sale of goods		
Sale of books	-	-
Sale of publications	-	-
Sale of farm produce	-	-
Other (include in line with your organisation)	-	-
Total revenue from the sale of goods	-	-

Being the first year of operation, there was no sale of goods made. However, it is hoped that in the FY 2021/2022 there will be sale of goods as various IGA proposals have been made.

12 FINANCE INCOME

Description	2020-2021	2019-2020
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

Being the first year of operation, no interest income was recorded

13 OTHER INCOME

Description	2020-2021	2019-2020
	Kshs	Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sales of college farm outputs	16,660	-
Services concession income	-	-
Income from sale of tender	-	-
Skills development levy	-	-
Income from disposal of assets	-	-
Others- mentor's funding	3,144,920	-
Total other income	3,161,580	-

14 USE OF GOODS AND SERVICES

Description	2020-2021	2019-2020
	Kshs	Kshs
Marketing	83,000	-
Tuition	510,239	-
Development (AIA)	217,110	-

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LT&T	509,210	-
Administrative costs	669,891	-
Boarding/BES	44,580	-
Activity(sports and recreational activities)	11,000	-
Total Goods and Services	2,045,030	-

Registration fees comprises fees paid to KUCCPS and KATTI both national and regional.

15 EMPLOYEE COSTS

	2020-2021	2019-2020
	Kshs	Kshs
Salaries and wages (paid)	869,100	-
Accrued Salaries	239,000	-
Employee related costs - contributions to pensions and medical aids	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
Housing benefits and allowances	-	-
Overtime Payments	-	-
Performance and other bonuses	-	-
Social Contributions	-	-
Employee Costs	1,108,100	-

16 REMUNERATION OF BOARD MEMBERS

Description	2020-2021	2019-2020
	Kshs	Kshs
Chairman's Honoraria	-	-
Member's Emoluments	-	-
Other Allowances	-	-
Total Board Members Emoluments	1,113,400	-

17 DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020-2021	2019-2020
	Kshs	Kshs
Property, Plant and Equipment	9,797	-
Intangible Assets	-	-
Investment Property carried at cost	-	-
Total Depreciation and Amortization	9,797	-

18 REPAIRS, MAINTENANCE AND IMPROVEMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Property	342,532	-
Investment property – earning rentals	-	-

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Equipment and Machinery	-	-
Vehicles	-	-
Furniture and Fittings	-	-
Computers and Accessories	-	-
Other	-	-
Total Repairs and Maintenance	342,532	-

19 CONTRACTED SERVICES

Description	2020-2021	2019-2020
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Total contracted services	-	-

There were no contracted services in FY 2020/2021

20 GRANTS AND SUBSIDIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Community development	-	-
Education initiatives and programs	-	-
Social development	-	-
Community trust	-	-
Sporting bodies	-	-
Total grants and subsidies	-	-

No grants or subsidies were received in FY 2020/2021

21 FINANCE COSTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Unwinding of discount	-	-
Interest on Bank overdrafts	-	-
Interest on loans from commercial banks	-	-
Total Finance Costs	-	-

No finance costs were recorded by the close end of FY 2020/2021

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22 GAIN ON SALE OF ASSETS

Description	2020-2021	2019-2020
	Kshs	Kshs
	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
Total Gain on Sale of Assets	-	-

23 UNREALIZED GAIN ON FAIR VALUE INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Investments at fair value	-	-
Total Gain	-	-

24 IMPAIRMENT LOSS

Description	2020-2021	2019-2020
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

Being the first year of operation, no impairment was done

25 CASH AND CASH EQUIVALENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
Current account	2,499,980	-
On - call deposits	-	-
Fixed deposits account	-	-
Staff car loan/ mortgage	-	-
Others(specify)- cash at hand	57,785.00	-
Total Cash and Cash Equivalents	2,557,765.00	-

25 (a). DETAILED ANALYSIS OF CASH AND CASH EQUIVALENTS

		2020-2021	2019-2020
Financial institution	Account number	Kshs	Kshs
a) Current Account-KCB Ltd	1286097657	219,330	-
Cooperative bank	011418098203000	2,280,650	-
Sub- total		2,499,980	
b) Cash at hand		57,785	-
Grand total		2,557,765	-

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26 RECEIVABLES FROM EXCHANGE TRANSACTIONS

26(a)

Description	2020-2021	2019-2020
	Kshs	Kshs
Current Receivables		
Student Debtors	4,119,753	-
Rent Debtors	-	-
Consultancy Debtors	-	-
Other exchange Debtors	-	-
Less: impairment allowance	-	-
Total Current Receivables	4,119,753	-

26(b)

Description	2020-2021	2019-2020
	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 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2020-2021	2019-2020
	Kshs	Kshs
Current Receivables		
Transfers from other govt. entities	-	-
Undisbursed donor funds	-	-
Other debtors (non-exchange transactions)	-	-
Less: impairment allowance	-	-
Total Current Receivables	-	-

28 INVENTORIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Consumable stores	-	-
Maintenance stores	-	-
Health Unit stores	-	-
Electrical stores	-	-
Cleaning materials stores	-	-
Catering stores	-	-
Total inventories at the lower of cost and net realizable value	27,201	-

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29 INVESTMENTS

Description	2020-2021	2019-2020
	Kshs	Kshs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b) Investment with Financial Institutions/ Banks		
Sub- total		
c) Equity investments (specify)		
Sub- total	-	-
Grand total	-	-

d) Shareholding in other entities

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

Name of entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Shs	Current year	Prior year
	%	%	%	Shs	Shs	Shs
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Office Equipment	Plant, property & equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cost									
At 1 July 2019	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-
At 30th June 2020	-	-	-	-	-	-	-	-	-
Donations				73,200	19,500	40,805	258,342	-	391,847
Disposals	-	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-	-
At 30th June 2021	-	-	-	73,200.00	19,500	40,805	258,342	-	391,847
Depreciation and Impairment									
At 1 st July 2019	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	1,830	488	-	6,458	-	9,797
Impairment	-	-	-	-	-	-	-	-	-
At 30 June 2020	-	-	-	-	-	-	-	-	-
Depreciation									
Disposals	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-	-
At 30th June 2021	-	-	-	1,830	488	1,021	6,458	-	9,797
Net book values									
At 30 th June 2021	-	-	-	71,370.00	19,012.50	39,784.88	251,883.45	-	382,050
At 30 th June 2020	-	-	-	-	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred income movement is as follows:

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

38 BORROWINGS

Description	2020-2021	2019-2020
	Kshs	Kshs
Balance at beginning of the period	-	-
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 period	-	-

38 a) ANALYSIS OF EXTERNAL AND DOMESTIC BORROWINGS

	2020-2021	2019-2020
	Kshs	Kshs
External Borrowings		
	-	-
Domestic Borrowings		
Kenya Shilling loan	-	-
Total balance at end of the year	-	-

38 b) BREAKDOWN OF LONG AND SHORT TERM BORROWINGS

Description	2020-2021	2019-2020
	Kshs	Kshs
Short term borrowings (current portion)	-	-
Long term borrowings	-	-
Total	-	-

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39 CASH GENERATED FROM OPERATIONS

	2020-2021	2019-2020
	Kshs	Kshs
Surplus for the year	5,939,604.00	-
Adjusted for:		
Depreciation	9,797.00	-
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	5,949,401	-
Increase in inventory	(27,201)	-
Increase in receivables	(4,119,753)	-
Increase in deferred income	-	-
Increase in payables	755,318	-
Net changes in working capital	(3,391,636)	-
Net cash flow from operating activities	2,557,765	-

40 FINANCIAL RISK MANAGEMENT

Kakrao Technical and Vocational College'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.

Kakrao Technical and Vocational College's financial risk management objectives and policies are detailed below:

(i) Credit risk

Kakrao Technical and Vocational College 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 Board. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2020				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Receivables from exchange transactions	4,119,753	4,119,753	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	2,499,980	2,499,980	-	-
Total	6,619,733	6,619,733	-	-

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.

Kakrao Technical and Vocational College has significant concentration of credit risk on amounts due from -xxxx

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with Kakrao Technical and Vocational College's directors, who have built an appropriate liquidity risk management framework for the management of Kakrao Technical and Vocational College's short, medium and long-term funding and liquidity management requirements. Kakrao Technical and Vocational College 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.

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	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Trade payables	-			
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Trade payables	-	550,578	-	550,578
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	204,740	-	204,740
Employee benefit obligation	-	-	-	-
Total	-	755,318	-	755,318

41 EVENTS AFTER THE REPORTING PERIOD

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

42 ULTIMATE AND HOLDING ENTITY

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

43 Currency

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

LIST OF DONATIONS

NO.	ITEM	QUANTITY	DATE	SOURCE
1	SCHOOL GATE	1 PC	1 ST JULY 2020	STAKEHOLDERS COMMITTEE
2	HAND WASHING STANDS	3 PCS	4 TH JULY 2020	K-YES
3	HAND WASHING STAND WITH TANK	1PC	27 TH AUG 2020	EQUITY BANK
4	10,000 LITRE TANK		14 TH JULY 2020	WOMEN REP MIGORI COUNTY

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5	DESKTOP COMPUTERS (CPUs) HP 290 G1 MT	20 PCS	14 TH JULY 2020	G.O.K
6	DESK TOP MONITORS HP V194	20 PCS	14 TH JULY 2020	G.O.K
7	POWER BACK-UP CURSOR AP650VA PRO	20 PCS	14 TH JULY 2020	G.O.K
8	COMPUTER KEYBOARDS	20 PCS	14 TH JULY 2020	G.O.K
9	COMPUTER MOUSE	20 PCS	14 TH JULY 2020	G.O.K
10	LAPTOP COMPUTERS HP PROBOOK	3 PCS	14 TH JULY 2020	G.O.K
11	PRINTERS HP LASER JET PRO M426dw	3 PCS	14 TH JULY 2020	G.O.K
12	OFFICE TABLES	18 PCS	10 TH JULY 2020	G.O.K
13	LEATHER BACK-REST OFFICE CHAIRS	6 PCS	10 TH JULY 2020	G.O.K
14	PRINCIPAL'S OFFICE CHAIR	1 PC	10 TH JULY 2020	G.O.K
15	SAFE	1 PC	10 TH JULY 2020	G.O.K
16	METALIC FILE CABINET	1 PC	10 TH JULY 2020	G.O.K
17	STATIC VISITOR'S CHAIRS	6 PCS	10 TH JULY 2020	G.O.K
18	CONFERENCE CHAIRS	12 PCS	10 TH JULY 2020	G.O.K
19	OFFICE CABINET	1 PC	10 TH JULY 2020	G.O.K
20	3-PIECE OFFICE TABLE	1 PC	10 TH JULY 2020	G.O.K
21	6-PIECE BOARD ROOM TABLE	1 PC	10 TH JULY 2020	G.O.K
22	TRAINEE LECTURE CHAIRS	80 PCS	14 TH JULY 2020	G.O.K
23	PROJECTOR	2 PCS	14 TH JULY 2020	G.O.K
24	PROJECTOR SCREEN	2 PCS	14 TH JULY 2020	G.O.K