

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 24 JUN 2025

DAY.

Tuesday

OF

LOM

MS. Anne Shibusko

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

**KIMASIAN TECHNICAL AND VOCATIONAL  
COLLEGE**

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



Technology is sure path to Success



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*(Kimasian Technical and Vocational College)*

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2024

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

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

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

**A. Acronyms**

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TVC	Technical Vocational College
CSR	Corporate Social Responsibility
NBV	Net Book Value

**B. Definition of Key Terms**

**Fiduciary Management** - Members of Management directly entrusted with Kimasian TVC's financial resources.

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

## 2. Key Entity Information and Management

### (a) Background information

Kimasian TVC was incorporated/ established under the TVET Act on 11<sup>th</sup>/4/2018 upon its completion in late 2017. Kimasian TVC is domiciled in Kenya. The institute is under the Ministry of Education.

H.E The Deputy President of the Republic of Kenya Dr. Hon. William Samoei Ruto laid Kimasian Technical and Vocational College foundation stone on 22/3/2014. The College was constructed using funds from the Government on a 30 acre piece of land donated by the County Government of Kericho under the mentor ship of Kaiboi Technical Training Institute.

The College received state of art welding and fabrication equipment from China in January 2018 and is a Centre of excellence in the same trade area. There are a total of eight different courses accredited by TVETA offered at different levels and we expect to roll out more in the next five years. All the courses offered are market driven and it is our desire to bridge the skill gaps currently being experienced in the country through effective curriculum implementation and ICT integration in training

### (b) Principal Activities

The core mandate of Kimasian TVC is to provide Technical and Vocational Education and Training under the Ministry of Education

#### Vision

To be a Centre of Excellence in Vocational and Technical Training and a point of reference in quality welding and fabrication in Kenya.

#### Mission

To provide quality and relevant training in research, technology, innovation and entrepreneurial skills necessary for self-reliance and enhanced quality of life.

#### Core Values

Kimasian Technical and Vocational College (KIMTVC) is committed to and will be identified by the following core values.

- i) Integrity
- ii) Professionalism
- iii) Transparency & Accountability
- iv) Team work
- v) Efficiency and Effectiveness
- vi) Equity and Fairness

### Principal Mandate and Functions

The College has outlined its mandate as provided for by the TVET Act of 2013, TVET strategy and reforms as follows:

- i) Offer TVET training
- ii) Prepare and guide trainees for evaluation and certification by the appropriate examining bodies
- iii) To promote science, technology and innovation in all training programs
- iv) To nurture trainees talent in different capacities

The specific mandate of the Colleges provided for by the TVET Act, TVET Strategy and reforms are;

Offering Technical training,

Prepare and guide trainees for evaluation and certification by appropriate examining bodies

Promoting Research, Science, Technology and Innovation in all its training programs.

### Core Functions

The core functions of the College include;

- i) Implementation of TVET curriculum and approved programmes.
- ii) Supervision, monitoring and evaluation of programmes.
- iii) Strengthen linkages between the College and the community as well as the industry.
- iv) Diversification of income generating activities and optimization of available resources.
- v) Formulation, reviewing and co-ordination of College policies.
- vi) Promote Cooperate Social Responsibility (CSR).

### (c) Key Management

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

- Board of Governors.
- Accounting officer/ Principal
- Management team.

### (d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

SN.	Designation	Name
1.	Principal	Coory Kipkemboi
2.	Deputy principal Administration	Paul Chepkwony
3	Deputy principal Academics	Julius Rotich
4	Registrar	John Biwott
5	Dean of students	Betty Kipchumba
6	Head of Finance	Miriam Chelangat
7	Head of Procurement	Korir Kipkoech

**( e ) Fiduciary Oversight Arrangements**

**Audit and risk committee activities:**

- Carry out audit in the College on quarterly basis
- Scrutinize financial reports before submission to ascertain authenticity
- Submit committee and financial reports to the Board with recommendations on mitigation measures

**Finance and operations committee activities:**

- Oversee preparation of College budget in consultation with departments and present to the Board
- Monitor financial spending of the College and report on quarterly basis to the Board
- Mobilize resources to implement College projects and activities
- Propose recommendations to address financial challenges in the College.

**Academic committee activities:**

- Carry out planning on curriculum implementation in their respective departments
- Ensure implementation of curriculum activities as stipulated in the 'curriculum implementation manual'
- Prepare budgets for academic departments and submit to the Principal for preparation of grand College budget.
- Make recommendations to the Principal on improvement of service delivery within their respective departments.
- Development partner oversight activities
- Verification of information relating to funding activities for the College
- Ensure official documentation of funds to the College
- Auditing of development funds to the College on regular basis
- Opening of development account(s) with development partner(s) to monitor use of development funds.

**Other oversight activities:**

-**MOE**-Require the College to submit student returns regularly to the Ministry to account for capitation and beneficiaries

-**HELB**- Monitor disbursement and absorption of funds to the College through returns and visits to the College

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Oversight organ that held office during the financial year ending 30th June 2024 is presented in the table 1

**I: BOG oversight organ**

S/No.	Name of the Sub-committee	Member
1	Finance Management	1. Caliph Sigei- Chairman 2. Hulder Moraa-Member 3. Peter Cheruiyot- County Director TVET
2	Technical (Education, Training, HRM and Projects)	1. Jorim Okeyo Guya - Chairman 2. Abraham Langat-Member
3	Internal Audit & Risk Management	1. Josephine Kirimi – Chairperson 2. Judith Maosa-Member

**(f) Entity Headquarters**

Kimasian Technical and Vocational College  
P.O. Box 1149 - 20200  
Nakuru-Kericho Highway  
KERICHO, KENYA

**(g) Entity Contacts**

Telephone: (254) 748 186 340  
E-mail: [kimasiantvc@gmail.com](mailto:kimasiantvc@gmail.com),  
Website: [www.kimasiantvc.ac.ke](http://www.kimasiantvc.ac.ke)

**(h) Entity Bankers**

Kenya Commercial Bank  
Londiani Branch  
P. O. Box 218 - 20203  
Londiani




**(i) Independent Auditors**





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

**(j) Principal Legal Adviser**



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

3. The Board of Governors




Name	Position	Qualifications
 1. Eng Richard Chepkwony MBS	BOG Chairperson	<b>Qualifications:</b> Msc. in Forest Industries Technology BEng. in Civil Engineering Consulting Civil Engineer
 2. Josephine Kirimi	Internal Audit & Risk Management sub-committee Chair.	<b>Qualifications:</b> Master in Business Administration Bachelor of Commerce (Accounting Option) Certified Public Accountant of Kenya Certified Internal Audit Quality Assessor
 3. Jorim Okeyo Guya	Technical subcommittee (Education, Training HRM and projects. Chair.	<b>D.O.B:</b> 20/9/1958 <b>Qualifications:</b> Bed(Hon) Education Management. Diploma in Technical Education. HND in Electrical Engineering (Power Option). Diploma in Electrical Engineering (Power Option). <b>Work Experience:</b> 31 years as a teacher and as an Administrator in a TVET Institution.

 <p>4. Judith Maosa</p>	<p>BOG Member</p>	<p><b>Qualifications:</b></p> <p>MA of Business Administration- Procurement &amp; Supply Chain Management</p> <p>Bsc in Agriculture (Crop Science)</p>
 <p>5. Hulder Moraa Okangi</p>	<p>BOG Member</p>	<p><b>D.O.B:</b> 31/08/1982</p> <p><b>Qualifications:</b></p> <p>Bachelor of Science in Biochemical and Processing Engineering.</p> <p><b>Work Experience:</b> 16 years in the industry in different capacity.</p>
 <p>6. Sigei Caliph.</p>	<p>Finance Management Chair</p>	<p><b>D.O.B:</b> 01/11/1974</p> <p>Bachelor of Science in Computer Information Systems.</p> <p>Diploma in Computer Studies.</p> <p><b>Work Experience:</b> 26 years in the Private Sector.</p>
 <p>7. Abraham Langat</p>	<p>BOG Member.</p>	<p><b>Qualifications:</b></p> <p>Doctor of Philosophy in Statagic Management</p>





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 <p>8. Coory Kipkemboi</p>	<p>Principal/BOG Secretary</p>	<p><b>Qualifications:</b> Bachelor of Education Master of Arts Applied Linguistics</p>
 <p>9. PETER CHERUIYOT COUNTY DIRECTOR-TVET</p>	<p>PS REPRESENTATIVE/BOG MEMBER</p>	<p><b>DOB: 08/08/1972</b></p> <p><b>Qualifications:</b> Masters of Philosophy Education Administration and Planning.</p> <p><b>Qualifications:</b> 24 years in TVET sector</p>

3. Key Management Team

NAME	AREA OF RESPONSIBILITY
 <p>1. Coory Kipkemboi</p>	<p><b>Principal/BOG Secretary.</b></p> <p>Bachelor of Education</p> <p>Master of Arts Applied Linguistics</p>
 <p>2. Paul Chepkwony</p>	<p><b>Deputy Principal-Administration</b></p> <p>Bachelor of Education Technology(Electrical Engineering)</p>
 <p>3. Julius Rotich</p>	<p><b>Deputy Principal-Academics</b></p> <p>BSc in Automotive Engineering</p>

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<p>4. John Biwott</p> 	<p><b>Ag. Registrar</b></p> <p>Bachelor of Education Technology (Mechanical Engineering)</p>
	<p><b>Ag. Dean of Students</b></p> <p>Diploma in Technical Education.</p> <p>Diploma in Mechanical Engineering (production)</p> <p>Bsc Mechanical Engineering (production)</p>
	<p><b>Accountant</b></p> <p>BSC Economics and Statistics</p> <p>CPA1</p>
	<p><b>Procurement Officer</b></p> <p>BSC Business Administration with IT (Supply Chain Management Option)</p>
<p>7. Kipkoech Korir</p>	

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

It is with great pleasure that I take this opportunity to present the Kimasian Technical and Vocational College (KIMTVC) report and financial statements for the period which ended on 30<sup>th</sup> June 2024. In the report you will be able to find all the required information pertaining to this report.

During this period so many key activities took place in the College. The current Board was inaugurated on 5<sup>th</sup> May 2023. During the financial year 2023/2024 a total of four full Board meetings took place and ten sub-committee meetings. During the meetings several policies developed by the college were approved for implementation alongside quarterly financial reports which were also submitted to the respective Government offices. The board was also able to oversight procurement and management of training equipment and general college assets.

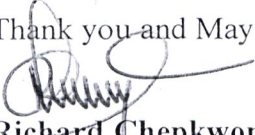
The Board acknowledges the role played by all the academic staff in conducting training and the board continues to support them whenever called to do so. It is the responsibility of the Board to mobilize resources and oversight the utilization to serve the purpose effectively and efficiently. The board envisages to promote the Technical and Vocational Education and Training having been identified by the Government as a key enabler to the country's economic transformation. In this regards the Board is working keenly with all the College staff to ensure that programmes offered are market demand driven and are implemented in the best way so as to enable the trainees acquire the necessary relevant skills and knowledge so as to become self-reliant responsible citizens wherever they will be post Kimasian TVC.

The Board in conjunctions with other stake holders has tried to provide an enabling and friendly environment that will enhance delivery of quality TVET programmes for sustainable development of Kenya and beyond. The board members also endeavours to use their expertise to make the college a better place to work and learn in.

The college has been experiencing challenges such as shortages of classrooms, science laboratory, workshops, student hostels and consistent water supply which has deterred the College to achieve its core mandates as planned in the 2020-2025 Strategic Plan. The way forward for the college is to enhance collaborations with various development partners notably the neighbouring tea industries, NG-CDF Kipkelion East, the County Government of Kericho and the National Government to consider giving grants of any nature to the college. Young institutions like Kimasian TVC need financial support to enable them meet their financial obligations with minimum hiccups. The Government through KUCCPS should consider posting several student to young institutions to increase their revenue collection and also optimize the use of equipment donated to the young colleges by the Government.

Finally, on behalf of the entire Board, I wish to thank the Government of Kenya, the area Member of Parliament and other partners for their continued financial support.

Thank you and May the Lord bless all of you.

  
**Richard Chepkwony**  
**BOARD CHAIRMAN**

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

Kimasian Technical and Vocational College is a public TVET institution registered by TVETA in 2018 and started its operations in March 2019 under the mentorship of Kaiboi Technical Training Institute. The college has since been able to operate on its own though with challenges. We have been submitting financial statements since 2019/2020 and are proud to submit the fifth Financial Statements for your kind attention.

The college has established seven academic departments with a current enrolment of 629 pursuing different courses in the respective academic departments at different levels namely Levels 6, 5, and 4. In September 2023 the BOGs approved the introduction of twenty three Competency Based Education and Training (CBET) courses across the seven academic departments in compliance to a directive given by the Principal Secretary State Department for TVET in August 2023. This directive was aimed at having all TVET institutions churn out graduates who are competent and hands-on who can readily fit in the local job market and surplus exported to countries where the Government has signed bilateral agreements to export labour force.

Looking at the college enrolment it does not replicate the target in the college 2020-2025 Strategic Plan objective and we attribute this to the several challenges the college has been experiencing and the tough economic situation in the country making several youths not be able to register and study at Kimasian TVC. Despite the myriad challenges, the college has always endeavored to make TVET education accessible to several youths and impart to them relevant knowledge and skills that make them employable-self or salaried once they successfully complete their training.

To promote the Government's Bottom Up economic Transformation Agenda (BeTA), Kimasian TVC endeavours to roll out training programs that are geared towards equipping our trainees with competencies required by the industries recognized by the Government as key players in the achievement of BeTA and employers both locally and abroad.

To help implement the curriculum effectively, the Public Service Commission has posted 25 trainers and the board has hire 17 trainers making the number to be 42 competent trainers. Support staff are 16 distributed in various support departments.

In the financial year ended 30th June, 2024, the college experienced several challenges emanating from low enrolment leading to low fees collection, several trainees rely on Government Capitation and Scholarships and HELB loans which were partially or were never disbursed further leading to low revenue collection. The economic situation in the country made it difficult for trainees to clear their household fees on time. By 30<sup>th</sup> June, 2024 the college had a cumulative fees arrears of Ksh 14,588,040.70 and a pending bill of Ksh 8,205,227.00 . In the financial year 2023/2024 we had a budget projection of Ksh 52,603,976 but were able to collect Ksh 28,544,469. With the dwindling finances, the college was unable to implement the budget as projected. The pending bills emanated from supplies of training materials which the college cannot run without being that training and impacting skills and knowledge to various youths is our core mandate.

The college has established partnership with various Non-Governmental and Governmental organizations such KCB- Foundation which has been sponsoring some trainees for short courses,

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NG-CDF Kipkelion East which has been funding some of the projects, Higher Education Loans Board-HELB which gives loans to trainees, Kenya Universities and College Central Placement Service- KUCCPS places trainees to our college, Technical and Vocational Education and Technical Authority-TVETA which accredits our programs, National Industrial Training Authority-NITA and Kenya National Examination Board-KNEC which are assessment and certification bodies that subject our trainees to examinations to determine their levels of competence before graduating to join the labour force. Our aspirations is to partner with several organizations and enhance industrial linkages for the benefit of our trainees.

As we aspire to continue carrying out our core mandates we ask the Government and other key players in the TVET sector to allocate more funds to TVET institution to enable them procure training materials, improve infrastructure and promote research and innovations with minimum challenges. Kenyan youths should also be funded to peruse their dream careers in TVET institution so that they can seek for meaningful employment in the industry to improve their quality of life.

Coory Kipkemboi

Date:.....9/06/2025

Principal



7. Statement of Performance against Predetermined Objectives

Kimasian Technical and Vocational College has two strategic pillars and objectives within its Strategic Plan for the FY 2020- 2025. These strategic pillars are as follows:

Pillar 1: To provide Vocational and Technical Training

Pillar 2: To enhance access to Technical and Vocational College.

Kimasian Technical and Vocational College developed its annual work plans based on the above two pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Kimasian Technical and Vocational College achieved its performance targets set for the FY 2023/2024 period for its two strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
1. To provide quality Vocational & Technical Training	To offer market driven courses to trainees	Number of CBET courses accredited and mounted and implemented  Number of trainees enrolled in CBET courses.  Copies of trainees’ portfolio of evidences.  Number if training material and equipment procured.	Application for accreditation and advertisement of the CBET courses  Sensitize the prospecting trainees and register for classes those who report.  Capacity build trainers to handle CBET units competently  Procure adequate training materials and equipment	23 CBET courses accredited by TVETA and introduced over the FY 2023/2024.  158 trainees registered to pursue CBET courses and undertake formal assessment.  38 trainers capacity built by CDACC to train the CBET Curriculum.  Training materials procured.
2. To enhance access Technical and Vocational Education and Training.	To bridge the skill gap being experienced in the industries.	Number of Competency Based Education and Training courses introduced in FY 2023/2024  Quantity of training materials procured to support CBET training	To market the college CBET programs.  To participate in sports, recreational activities, exhibitions and outreach programmes.  To undertake corporate Social Responsibility to the Community	The College introduced 23 CBET courses.  Trainees were trained and registered for KNEC and CBET examinations in all the courses offered by the College.

### **8. Corporate Governance Statement**

The top management organ in the college organogram is the Board of Governors whose core mandates are to oversight prudent use of revenue received, approve policies and guidelines that ensures there are checks and balances in day to day running of the college, recruit staff if there is need, oversee the implementation of the college strategic plan, the budget and the procurement plan. The college has been in existence since 2019 and we attribute the achievements the college has made to the expertise the board members have been offering to the college since inception. The current board whose tenure expires in May 2026 comprises of experts from the private sector and have been instrumental in mentoring staff in the critical departments such as Finance, Internal Auditing, Human Resource and the top management.

The college procured a Management Information Systems and an ICT expert from the board has immensely supported its improvement to meet the college demand.

#### **Board of Governors meetings**

In the financial year ended 30<sup>th</sup> June 2024, there were six full board meetings out of which two were virtual convened to approve list of PSC shortlisted candidates and the other to ratify candidates recommended for employment. During the same year there were ten various BOG committee meetings.

#### **Process of BOG appointment and removal**

The board of governors comprises of the Chairman and seven other members with varied vast experience from the private sector. Out of the eight board members one is the County Director –TVET representing the Principal Secretary, State Department for TVET. The Governor of Kericho County representative is yet to be appointed by the Cabinet Secretary having been nominated by the Governor.

The process of establishing the board begins by The Principal sharing information with the public and the Area Member of Parliament the intention of the college to establish a board of Governors. Several interested members of the public with the required credentials send their academic and professional certificates, CVs and copies of the National Identification Cards to the college. The MP also proposes his preferred candidates. The Principal receives and serializes the applications as they are received and captures each applicant's data in the right template provided by the Ministry of Education.

On the last day of application, the Principal constitutes in consultation with the TVET-County Director a nomination panel which comprises of the Member of Parliament or his Representative, One Community Opinion leader, a local churches representative, The County Director TVET and the Principal of the college who is the secretary.

The nomination panel then vets the applications and nominates three candidates per category depending on their areas of specialization as provided in the TVET Act 2013. The profile of the nominees is then filled in the template provided by the Ministry of Education and submitted to the Principal Secretary State Department for TVET a long side the minutes of the nomination panel, signed attendance list and a forwarding letter from the County Director.

From the provided data, the Cabinet Secretary appoints BOG members and send to the college the appointment letters indicating the BOG Chairman and six other board Members as per the TVET Act 2013.

Once the Principal receives the board members appointment letters, she writes to the members informing them of the appointment and also ask them to accept in writing their appointment. The Principal in consultation with the County Director then plans for an inauguration of the board. Finally the Principal organizes for the board induction in collaboration with the Ministry of Education.

Once the board is constituted, all members shall be bound by the Constitution of Kenya 2010 and the Government's prevailing guidelines that promote accountability.

In reference to MWONGOZO, a board member can cease to be a member if he/she fails to attend meetings without any apology three consecutive times. A board member can also be dismissed through a structured manner under gross misconduct or if he or she violates best practices of governance.

### **Roles of the board.**

Kimasian TVC board has three committees constituted namely:-

- i. Technical Committee.
- ii. Finance Committee.
- iii. The Internal Audit Committee.

The committees meet every quarter to discuss issues presented to them by the Principal and make recommendations which are then presented before the full board of governors meeting for ratification, adoption or amendment before adoption for implementation.

During board meetings, the Secretary to the board briefs the board on the progresses the college is making, any Government circular that requires the board to deliberation on or requires the board attention. The BOG Secretary also briefs the board on the implementation level of resolutions made in the previous meetings. This enhances governance and oversight in implementation of the college core mandates, prudent use of resources and also oversee implantation of the college Strategic Plan and the annual work plan.

The college under the guidance of the board strives to enforce compliance to the statutory obligations and implementation of the Government development agenda under the Bottom Up Economic Transformation Agenda in which TVET institutions have been identified by the Government as key Stakeholders in its achievement.

### **Succession plan.**

To guarantee uninterrupted succession, the Principal is expected to constitute a nomination panel and nominate prospecting board members six months before the expiry of the sitting board's tenure and submit the names in the correct prescribed format to the Principal Secretary State Department for TVET. The nominated candidates should include eligible members of the existing board for continuity purposes.

By end of year ended 30<sup>th</sup> June, 2024 The Governor's representative had not been appointment by the Cabinet Secretary for Education despite a Ward Administrator being nominated.

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**9. Management Discussion and Analysis**

**(a) Compliance with statutory requirements**

The College did not have any compliance issues relating to its statutory requirements in the 2023/2024 financial year.

**(b) Key projects and Investment Decisions**

S/NO	STRATEGIC OBJECTIVE ACHIEVED	Responsible officers.	Budget cost (Ksh)	Period
1	Construct a modern gate up to about 85% completion.	-BOG members -The Principal - The Procurement Officers -NG-CDF Kipkelion East	2,000,000	Quarter 4
2	Improved pass percentage in national examinations from 50%-55%	-The BOG members -The Principal -The Deputy Academics	-	
3	Procured and install 17 CCTV Cameras to boost security	-BOG members -The Principal - The Procurement Officers - HOD ICT and Automation	456,400	Quarter 4
4	Procure and install additional 100 Mbps for internet	-BOG members -The Principal - The Procurement Officers - HOD ICT and Automation	44,000	Quarter 4
5	Procured an MIS server and its accessories and installed to improve service delivery and efficiency.	-The BOG members -The Principal -The Procurement Officer -HOD ICT and Automation - The MIS System Admin	1,695,250	Quarter 4
6	Introduced 23 new CBET courses across all the seven academic departments	-BOG members -The Principal -The Deputy Principal Academics -All Academic HODs	5,000	Quarter 3
7	Procured and installed eight solar powered street lights.	-BOG members -The Principal -The Deputy Principal Academics -HOD Repair, Maintenance and Improvement	187,600	Quarter 3
8	Planted 5,600 indigenous trees at Chebewor Forest within Mau forest.	-The principal -HOD Greening of TVET -Eco-club members -All staff and trainees	114,040	Quarter 4
9	Procure 22 computer tables	-The BOG members -The Principal -The Procurement Officer -HOD ICT and Automation	150,000	Quarter 4
10	Donated 40 desks and chairs to	-The BOG members		Quarter 2

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Bethwel Children's home and Ringa Secondary School	-The Principal -The Procurement Officer -HOD CSR	219,000	
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In the year ended 30<sup>th</sup> June 2024, the board managed to achieve the following:

The following QMS and Policies were developed and approved for implementation.

- i. Quality Management Systems developed.
  - Finance Management Manual
  - Internal Audit Manual
- ii. Policies developed
  - Risk Management Policy
  - Industrial Attachment Policy
  - Income Generating Activities Policy

**(c) Major Risks**

The College as an educational institution receives income from the Government in form of Scholarships for trainees, HELB loans, Capitation, A-in-A, and Income Generating Activities and funds from externally mobilized sources. The key financial risks may occur especially in a situation where the Government fails to remit the scholarships, capitation and HELB loan to deserving trainees. The college develops its annual budget pegged on the anticipated income from majorly fees from trainees. When the college fails to receive all the monies from the Government there is a risk of failing to meet the statutory obligations thus heavy penalty, failing to pay pending bills on time which may lead to the college being sued by our suppliers, having incomplete projects which in turn may be degraded further increasing the cost of completion.

The Board of Governors has been able to mitigate risks especially in the key areas of operations. The management in collaboration with the BOG has put in place strong financial management policies and internal control systems aimed at minimizing risks that may arise.

The College credit risk is mitigated and protected by holding deposits in state approved and reputable banking institutions namely, Kenya Commercial Bank. The College holds high quality fees debts that are continuously being monitored with a major portion being receivables underwritten by GOK agencies like HELB. The College's capital risk was minimal since at the end of the year under review, the College had no external borrowing and no pending bills.

**(d) Material arrears in Statutory/Financial Obligations**

The College complied with all laws and key regulation that relate to its statutory obligations under the NSSF, NITA, Housing Levy, NHIF, INCOME TAX and LABOUR Laws of Kenya. The College has also complied with PFM laws that relate to Public Procurement and Asset Disposal, Annual Estimates and Financial Reporting. In the year of review, the college arrears of Kshs 111,992.3 as at 30<sup>th</sup> June 2024.

## 10. Environmental And Sustainability Reporting Statement

A conducive working environment and well trained personnel are pre-requisite factors that promote prudent financial management and an overall better service delivery in an institution such as ours.

### Sustainability strategy and profile

The college is guided by other various Policies that work in line with the financial policies and support the smooth running of the organization. These include the procurement procedures and policies, Academic procedures and policies and Human Resource Policies among others. These has helped address challenges related to misappropriation and reduction of wastage in financial management.

In the pursuit to enhance proper financial management, the College has put the following measures in place:-

- i. Employed qualified accountant and Internal Auditor to work in conjunction with the Finance officer to streamline financial issues.
- ii. Conducted regular capacity building forums for the officers in Finance department and management positions.
- iii. Customized and implemented financial procedures to ensure adoption of best practices in financial management.
- iv. Procured and installed Finance Management Information System to ensure proper and accuracy of financial data.

### Environmental performance

The College participated in annual tree planting day on 21/6/2024. In line with government directive to plant 15B by 2032, Kimasian TVC planted 5,000 indigineous trees at Chebwor Forest in partnership with Kenya Forest Service .

### Employee welfare

The College adheres to the Public Service HR manual on hiring of officers .The College has employed a number of officers in conformity to the one-third gender rule. The staff are trained regularly within and outside the College to upgrade their skills and be informed on emerging issues and more specifically TVET institutions. The College is in the process of developing *Occupational Safety and Health Act of 2007, (OSHA)*

### Market place practices-

The College is situated in a Serene environment away from other activities that distract learning. There is however competition from other neighboring Colleges and institutions. This has been addressed through adhering to Government guidelines in charging of fees related to TVET institutions to encourage enrolment and retention.

To mitigate on corruption, the college will work in partnership with EACC in this FY to implement guidelines in relation to corruption prevention in TVET Institutions and Government Agencies.

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

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The College registered-suppliers at the beginning of the FY and endeavours to continually register them to ensure adequate and quality suppliers for goods and services to the College. Payment of suppliers is done for delivery of goods and services upon complete documentation as per the procurement procedures and availability of funds.

The college advertises its tenders in the Public Procurement and Information Portal and submits quarterly and annual reports to Public Procurement and Regulatory Authority(PPRA).

Advertisement by the College is done through electronic and print media. The College has a website which is regularly updated with information, radio stations are also used to disseminate information as well as newspapers with wide readership.

Trainees are engaged in sporting activities with other TVET institutions and community for competition and recreational purposes. To promote good health of trainees and staff, the College has scheduled for reproductive health sensitization and provides clean water for drinking. Staff are also required to register with NHIF to ensure affordable health care. Each staff member is also required to be a member of NSSF to contribute to the welfare scheme for retirement.

### Corporate Social Responsibility / Community Engagements

In the year ended 30<sup>th</sup> June 2024, the college was involved in several activities towards giving back to the society:

1. On Huduma day 10<sup>th</sup> October 2023, staff and students visited Bethel Children's home to deliver desk lockers and chairs bought in the FY2022/2023. On the same day, we donated blankets and bought snacks(milk and cakes) for the children.



Bethel Children's home pupils receiving blankets from Kimasian TVC.



Bethel Children's home Pupils enjoying snacks bought by Kimasian TVC



Kimasian TVC staff and Bethel Children's home staff.

2. We bought reflector jackets worth Kshs 3,000 for boda-boda riders at Londiani during a road safety sensitisation in conjunction with NTSA Kericho branch.



Kimasian TVC staff with bodaboda riders and NTSA officials.

3. Participated in supporting children at Chepsir Girl's Primary School during motivation talk and donated Kshs 2,000 to the needy kitty.

## 11. Report of the Board of Governors

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

### Principal activities

The principal activities of the College are;

- Offer TVET training
- Prepare and guide trainees for evaluation and certification by the appropriate examining bodies
- To promote science, technology and innovation in all training programs
- To nurture trainees talent in different capacities.

### Results

The results of Kimasian TVC for the year ended June 30 2024 are set out on page IV-VII

### Board of Governors

The members of the Board who served during the year are shown on page vii-viii. During the year 2022, the Board of Governors tenure expired and a new board was appointed with effect from 5<sup>th</sup> May 2023.

### Auditors

The Auditor General is responsible for the statutory audit of Kimasian TVC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

BOG Secretary

Date: 09/06/2025



## 12. Statement of Board of Governors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the Board members to prepare financial statements in respect of Kimasian TVC, which give a true and fair view of the state of affairs of Kimasian TVC at the end of the financial year and the operating results of Kimasian TVC for that year. The Board members are also required to ensure Kimasian TVC keeps proper accounting records which disclose with reasonable accuracy the financial position of Kimasian TVC. The Board members are also responsible for safeguarding the assets of Kimasian TVC

The Board members are responsible for the preparation and presentation of Kimasian TVC financial statements, which give a true and fair view of the state of affairs of Kimasian TVC for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes:

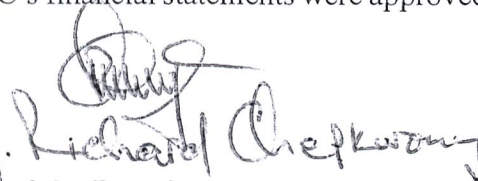
- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of Kimasian TVC;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of Kimasian TVC
- (v) selecting and applying appropriate accounting policies
- (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for Kimasian TVC financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act of 2013). The Board of governors are of the opinion that Kimasian TVC financial statements give a true and fair view of the state of Kimasian TVC transactions during the financial year ended June 30, 2024, and of Kimasian TVC financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Kimasian TVC, which have been relied upon in the preparation of Kimasian TVC 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 Kimasian TVC will not remain a going concern for at least the next twelve months from the date of this statement.

### Approval of the financial statements

Kimasian TVC's financial statements were approved by the Board on 9<sup>th</sup> June 2025 and signed on its behalf by:

Name   
Chairperson of the Board

Name COORY KIPKEMBOI  
Accounting Officer/Principal



# REPUBLIC OF KENYA

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NAIROBI

*Enhancing Accountability*

## **REPORT OF THE AUDITOR-GENERAL ON KIMASIAN TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024.**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kimasian Technical and Vocational College set out on pages 1 to 39, which comprise the statement of financial

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*Report of the Auditor-General on Kimasian Technical and Vocational College for the year ended 30 June, 2024*

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kimasian Technical and Vocational College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Sale of Goods**

The statement of financial performance reflects sale of goods amounting to Kshs.404,765 as further disclosed in Note 8 to the financial statements. However, revenue receipts, receipt vouchers, revenue register and revenue collection sheets in support of the sales were not provided for audit review.

In the circumstance, the accuracy and completeness of the sale of goods amounting to Kshs.404,765 could not be confirmed.

#### **2. Unsupported Other Income**

The statement of financial performance reflects other income amounting to Kshs.313,825 as further disclosed in Note 9 to the financial statements. However, revenue receipts, receipt vouchers and revenue registers in support of the income were not provided for audit review.

In the circumstances, the accuracy and completeness of other income amounting to Kshs.313,825 could not be confirmed.

#### **3. Unsupported Repairs and Maintenance**

The statement of financial performance reflects repairs and maintenance amounting to Kshs.1,197,380 as further disclosed in Note 14 to the financial statements. However, payment vouchers in support of Kshs.692,800 expenditure included in the repairs and maintenance were not provided for audit review.

In the circumstance, the accuracy and propriety of Kshs.692,800 included under repairs and maintenance in the statement of financial performance could not be confirmed.

#### **4. Unsupported Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents totalling Kshs.441,247 as further disclosed in Note 15 to the financial statements. However, cash books in support of the amount were not provided for audit review.

Further, a review of the bank reconciliation statement for the operation bank account for the month of June, 2024, revealed receipts in bank statement not recorded in the cashbook amounting to Kshs.245,388, and receipts in the cashbook not recorded in the bank statement totalling Kshs.28,000 dating back to 2022-2023 financial year which had not been cleared. Management has not provided any explanation for failure to clear these reconciling items.

In the circumstances, the accuracy, completeness and existence of the cash and cash equivalents totalling Kshs.441,247 could not be confirmed.

#### **5. Inaccuracy of Current Portion of Receivables from Exchange Transactions**

The statement of financial position reflects current portion of receivables from exchange transactions totalling Kshs.14,600,251 as disclosed in Note 16 (a) to the financial statements. The amount includes receivables totalling Kshs.7,070,409 as disclosed in Note 16 (b) to the financial statements which have been outstanding for more than one year. However, no provision has been made for impairments of the receivables and Management has not taken any measure to recover the long outstanding receivables.

The accuracy and recoverability of the receivables from exchange transactions of Kshs.14,600,251 could not be confirmed.

#### **6. Inaccuracy of Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment totalling Kshs.152,250,773. However, Note 19(a) to the financial statements reflects plant and equipment opening net book value of Kshs.65,058,284 which differs with the prior year audited net book value of Kshs.63,669,665 resulting in unexplained variance of Kshs.1,388,619. Similarly, Note 19(a) to the financial statements reflects work-in-progress opening net book value of Kshs.63,669,665 which differs with the prior year audited Nil net book value resulting in unexplained variance of Kshs.63,669,665.

Further, Note 19(a) reflects property, plant and equipment cost totalling Kshs.164,240,267. However, the amount differs with the cost amounting to Kshs.175,311,802 reflected in Note 19(b) to the financial statements resulting in unexplained variance of Kshs.11,071,535.

In addition, the amounts includes land totalling Kshs.30,000,000 as disclosed in Note 19 to the financial statements. However, the title deed and valuation report in support of the land was not provided for audit review.

In the circumstance, the accuracy, completeness and existence of property, plant and equipment totalling Kshs.152,250,773 could not be confirmed.

### **7. Unsupported Biological Assets**

The statement of financial position reflects biological assets totalling Kshs.251,000 relating to dairy cows as disclosed in Note 21 to the financial statements. However, a valuation report and biological assets register in support of the amount was not provided for audit review.

In the circumstances, the accuracy and completeness of biological assets totalling Kshs.251,000 could not be confirmed.

### **8. Unsupported Refundable Deposits from Customers**

The statement of financial position reflects refundable deposits from customers totalling Kshs.735,000 as further disclosed in Note 23 to the financial statements. Review of records revealed that the deposits are banked in the operations bank account instead of a separate bank account. However, Note 15 to the financial statements reflects operations bank account balance of Kshs.176,481 resulting in a variance of Kshs.558,519. This is an indication of unauthorized spending of student deposits.

In the circumstance, the accuracy, completeness and existence of refundable deposits from customers totalling Kshs.735,000 could not be confirmed.

### **9. Inaccuracy of Total Net Assets and Liabilities**

The statement of financial position reflects total net assets and liabilities totalling Kshs.174,75,673. The amount includes total liabilities amounting to Kshs.16,381,420 which ought to have been deducted from total assets as required by the Public Sector Accounting Standards Board reporting template.

Further, the statement reflects Nil Net assets. However, the amount differs with the recomputed net assets totalling Kshs.158,194,253 resulting in unexplained variance of Kshs.158,194,253.

In the circumstances, the accuracy and completeness of total net assets and liabilities totalling Kshs.174,75,673 could not be confirmed.

### **10. Inaccuracies in the Statement of Cash Flows**

The statement of cash flows reflects rendering of services- fees from students amounting to Kshs.24,599,289. However, the amount differs with the rendering of services- fees from students amounting to Kshs.19,795,890 as reflected in the statement of financial performance resulting in unexplained variance of Kshs.4,803,399.

Further, the statement reflects net decrease in cash and cash equivalents amounting to Kshs.1,996,770. However, the decrease differs with the recomputed net increase in cash and cash equivalents amounting to Kshs.3,438,936 resulting in unexplained variance of Kshs.5,435,706.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

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

### **Emphasis of Matter**

#### **Budget Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounting to Kshs.52,603,976 and Kshs.32,659,362 respectively, resulting to an under-funding of Kshs.19,944,614 or sixty two percent (62%) of the budget. Similarly, the statement reflects total actual expenditure on comparable basis amounting to Kshs.21,743,917 against total receipts amounting to Kshs.32,659,362 resulting to an under-utilization of Kshs.Kshs.10,915,445 or thirty three percent (33%) of the total income received.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

### **Key Audit Matters**

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

### **Other Information**

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

In connection with my audit on the College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 3000 and 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on effectiveness of internal control, risk management & governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Lack of Internal Audit Function**

The College did not have an Internal Audit department contrary to Section 73(1) of the Public Finance Management Act, 2012 which requires every National Government entity to have appropriate arrangements in place for conducting internal audit according to the guidelines of the Public Sector Accounting Standards Board.

In the circumstance, the oversight on effectiveness of internal controls, risk management and overall governance could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and 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 those Charged with Governance**

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

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

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

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

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

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

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

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

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

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

  
FCPA Nancy Gathungu, SBS  
AUDITOR-GENERAL

Nairobi

13 June, 2025

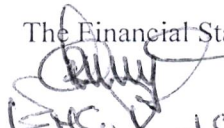
Kimasian Technical and Vocational College  
Annual Report and Financial Statements for the year ended 30th June 2024

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

	Notes	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
<b>Revenue from Non-Exchange transactions</b>			
Transfers from other National Government entities	6	6,262,827.00	8,120,000.00
Transfers from other levels of government	6	1,767,162.00	1,836,645.00
Public contributions and donations			
<b>Total Revenue from Non-Exchange transactions</b>		<b>8,029,989.00</b>	<b>9,956,645.00</b>
<b>Revenue from Exchange transactions</b>			
Rendering of services- fees from students	7	19,795,890.00	14,100,752.00
Sale of goods	8	404,765.00	560,844.00
Other income	9	313,825.00	69,700.00
<b>Revenue from Exchange transactions</b>		<b>20,514,480.00</b>	<b>14,731,296.00</b>
<b>Total Revenue</b>		<b>28,544,469.00</b>	<b>24,687,941.00</b>
<b>Expenses</b>			
Use of goods and services	10	12,622,438.00	14,900,327.00
Employee costs	11	7,318,899.00	8,351,667.00
Board Expenses	12	605,200.00	468,400.00
Depreciation and amortization expense	13	12,324,524.00	11,738,654.00
Repairs and maintenance	14	1,197,380.00	504,330.00
<b>Total Expenses</b>		<b>34,068,441.00</b>	<b>35,963,378.00</b>
<b>Other Gains/(Losses)</b>			
Gain on sale of assets			
Gain/ Loss on fair value of investments			
Impairment loss			
<b>Total Other Gains/(Losses)</b>			
<b>Net surplus/(deficit) for the year</b>		<b>(5,523,972.00)</b>	<b>(11,275,437.00)</b>


(The notes set out on pages 20 to 39 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 6 were signed by:

  
**Richard Chepkwony**  
 Chairman of Board

Date 9/6/2025




Finance Officer Miriam Chelangal  
  
 Date 9/6/2025

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

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

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15	441,247.00	2,438,017.00
Current portion of receivables from exchange transactions	16	14,600,251.00	10,574,257.00
Receivables from non-exchange transactions	17	4,417,173.00	-
Inventories	18	1,275,108.00	1,783,279.00
<b>Total Current Assets</b>		<b>20,733,779.00</b>	<b>14,795,553.00</b>
<b>Non-Current Assets</b>			
Property, plant, and equipment	19	152,250,773.00	157,117,929.00
Intangible assets	20	1,340,121.00	1,583,152.00
Biological Assets	21	251,000.00	251,000.00
<b>Total Non-Current Assets</b>		<b>153,841,894.00</b>	<b>158,952,081.00</b>
<b>Total Assets</b>		<b>174,575,673.00</b>	<b>173,747,634.00</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	22	8,205,227.00	2,908,120.00
Refundable deposits from customers	23	735,000.00	717,000.00
Deferred income	24	232,838.00	1,893.00
Employee benefit obligation	25	111,992.00	98,974.00
Payments received in advance	26	7,096,363.00	6,303,422.00
<b>Total Current Liabilities</b>		<b>16,381,420.00</b>	<b>10,029,409.00</b>
<b>Total Liabilities</b>			
<b>Net Assets</b>			
Accumulated Surplus		41,160,097.00	34,359,545.00
Capital Fund		117,034,156.00	129,358,680.00
<b>Total Net Assets and Liabilities</b>		<b>174,575,673.00</b>	<b>173,747,634.00</b>

The Financial Statements set out on pages 1 to 6 were signed by:

  
Chairman of Board

Date 9/6/2025



Finance Officer M. Priam Chelangat  
ICPAK No

Date 9/6/25 met

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

Description	Revaluation reserve	Accumulated surplus	Capital Fund	Total
At July 1, 2021	-	18,013,179.00	153,924,262.00	171,937,441.00
Revaluation gain	-			
Surplus/(deficit) for the year		(1,205,275.00)		(1,205,275.00)
Capital grants received during the year				
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	12,826,928.00	(12,826,928.00)	-
At June 30, 2022		29,634,832.00	141,097,334.00	170,732,166.00
At July 1, 2022		29,634,832.00	141,097,334.00	170,732,166.00
Revaluation gain		4,261,496.00		4,261,496.00
Surplus/(deficit) for the year	-	(11,275,437.00)		(11,275,437.00)
Capital grants received during the year	-	-		
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	11,738,654.00	(11,738,654.00)	-
At June 30, 2023		34,359,545.00	129,358,680.00	163,718,225.00
At July 1, 2023		34,359,545.00	129,358,680.00	163,718,225.00
Revaluation gain				
Surplus/(deficit) for the year		(5,523,972.00)		(5,523,972.00)
Capital grants received during the year				
Transfer of depreciation/amortisation from capital fund to Retained earnings		12,324,524.00	(12,324,524.00)	
At July 1, 2024		41,160,097.00	117,034,156.00	158,194,253.00

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

Description		2023/2024	2022/2023
	Note	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other National Government entities-Capitation	6	6,262,827.00	8,120,000.00
Rendering of services- fees from students	7	24,599,289.00	14,100,752.00
Sale of goods	8	404,765.00	560,844.00
Other income	9	313,825.00	69,700.00
<b>Total Receipts</b>		<b>31,580,706.00</b>	<b>22,851,296.00</b>
<b>Payments</b>			
Use of goods and services	10	12,622,438.00	14,900,327.00
Employee costs	11	7,318,899.00	8,351,667.00
Board Expenses	12	605,200.00	468,400.00
Repairs and maintenance	14	1,197,380.00	504,330.00
<b>Total Payments</b>		<b>21,743,917.00</b>	<b>24,224,724.00</b>
<b>Net Cash Flows from operating activities</b>		<b>9,836,789.00</b>	<b>(1,373,428.00)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(6,397,853.00)	(4,760,528.00)
<b>Net cash flows used in investing activities</b>			
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>		<b>(1,996,770.00)</b>	<b>(7,190,127.00)</b>
Cash and Cash equivalents at 1 JULY 2023		2,438,017.00	9,628,144.00
<b>Cash and Cash equivalents at 30 JUNE 2024</b>		<b>441,247.00</b>	<b>2,438,017.00</b>

## 18. Statement of Comparison of Budget &amp; Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance Difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	13,770,000	0	13,770,000	6,262,827.00	-7,507,173	-54.52%
Transfers from other levels of government	2,600,000	0	2,600,000	2,000,000.00	-600,000	-23.08%
Rendering of services- fees from students	29,864,676	0	29,864,676	19,795,890.00	-10,068,786	-33.71%
Horticulture	337,800	0	337,800	32,145.00	-305,655	-90.48%
Maize production	400,000	0	400,000	154,500.00	-245,500	-61.38%
Dairy production	329,700	0	329,700	152,010.00	-177,690	-53.89%
Income from hospitality	10,000	0	10,000	59,150.00	49,150	491.50%
Driving school fees	0	636,900	636,900	276,410.00	-360,490	-56.60%
Computer packages fees	0	35,000	35,000	38,500.00	3,500	10.00%
Caution Money	433,800	0	433,800	18,000.00	-415,800	-95.85%
KUCCPS	1,084,500	0	1,084,500	351,000.00	-733,500	-67.63%
National exams(KNEC,CDACC, NITA)	1,800,000	0	1,800,000	2,377,330.00	577,330	32.07%
Industrial attachments	800,000	0	800,000	623,500.00	-176,500	-22.06%
Registration	132,000	0	132,000	121,500.00	-10,500	-7.95%
TVETA fees	132,000	0	132,000	118,000.00	-14,000	-10.61%
Student union	158,400	0	158,400	207,800.00	49,400	31.19%
Student ID cards	79,200	0	79,200	70,800.00	-8,400	-10.61%
<b>Total Income</b>	<b>51,932,076</b>	<b>671,900</b>	<b>52,603,976</b>	<b>32,659,362.00</b>	<b>-19,944,614</b>	<b>-37.91%</b>
<b>Expenses</b>						
Use of goods and services	24,470,327	0	24,470,327	12,622,438.00	-12,847,889	49.70%
Employee costs	9,918,023	0	9,918,023	7,318,899.00	-2,599,124	26.21%
Board /Board Expenses	816,000	0	816,000	605,200.00	-210,800	25.83%
Repairs and maintenance	3,581,888	0	3,581,888	1,197,380.00	-2,384,508	66.57%
<b>Total Expenditure</b>	<b>38,786,238</b>	<b>621,900</b>	<b>39,408,138</b>	<b>21,743,917.00</b>	<b>17,664,221</b>	<b>44.82%</b>
<b>Surplus For the Period</b>	<b>13,145,838</b>	<b>50,000</b>	<b>13,195,838</b>	<b>10,915,445.00</b>	<b>2,280,393</b>	<b>17.28%</b>
<b>Capital Expenditure</b>	<b>13,145,838</b>	<b>50,000</b>	<b>13,195,838</b>	<b>6,397,852.50</b>		

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(Budget notes)

1. *The underperformance in rendering of services was due to low trainee enrollment hence reduction of school fee collection.*
2. *The underperformance in use of goods and services is due to lack of funds in the institution. We didn't receive capitation as budgeted for hence so many college operations could not be undertaken.*
3. *The underperformance in employee costs is because the college could not employ more staff due to non receipt of capitation.*
4. *The difference between original and final budget is due to reallocations.*

**19. Notes to the Financial Statements**

**1. General Information**

Kimasian Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2013. Kimasian TVC is wholly owned by the Government of Kenya and is domiciled in Kenya. Kimasian TVC's principal activity is to offer technical skills and knowledge.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Kimasian TVC's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Kimasian TVC. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, 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

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

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

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

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

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	The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	<b>Applicable 1<sup>st</sup> January 2026</b> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<b>Applicable 1<sup>st</sup> January 2026</b> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<b>Applicable 1<sup>st</sup> January 2026</b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

**iii. Early adoption of standards**

Kimasian TVC did not early-adopt any new or amended standards in year 2024.

**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 Kimasian TVC and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

**b) Budget information**

The original budget for FY 2023/2024 was approved by the Board or Board on 31<sup>st</sup> January 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Kimasian TVC upon receiving the respective approvals to conclude the final budget. Accordingly, Kimasian TVC recorded additional appropriations of *Ksh 671,900* on the FY 2023/2024 budget following the Board's approval. Kimasian TVC's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 4 under Note *18* of these financial statements.

**c) Taxes**

***Current income tax***

Kimasian TVC is exempt from paying taxes as per the Act.

### *Sales tax/ Value Added Tax*

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

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

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

#### **d) Investment property**

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

#### **e) Property, plant and equipment**

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

#### **f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to Kimasian TVC. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. Kimasian TVC also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that Kimasian TVC

will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to Kimasian TVC. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

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

## *Financial assets*

### *Classification*

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

### **Subsequent measurement**

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

### **Amortized cost**

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

### **Fair value through net assets/ equity**

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

### **Fair value through surplus or deficit**

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

## Trade and other receivables

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

## Impairment

Kimasian TVC assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. Kimasian TVC recognizes a loss allowance for such losses at each reporting date

## Financial liabilities

### Classification

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

### j) Inventories

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

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

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

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

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

### k) Provisions

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

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

### ***Contingent liabilities***

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

### ***Contingent assets***

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

### **l) Social Benefits**

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

### **m) Nature and purpose of reserves**

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

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

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

### **o) Employee benefits**

#### **Retirement benefit plans**

Kimasian TVC provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than

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defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**p) Foreign currency transactions**

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

**q) Borrowing costs**

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

**r) Related parties**

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

**s) Service concession arrangements**

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

**t) Cash and cash equivalents**

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

**u) Comparative figures**

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

**v) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

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

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

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Kimasian TVC based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of Kimasian TVC. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

The condition of the asset based on the assessment of experts employed by Kimasian TVC.

The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

The nature of the processes in which the asset is deployed.

Availability of funding to replace the asset.

Changes in the market in relation to the asset

6. Transfers from other National Government entities

Description	FY 2023/2024	FY 2023/2023
	Kshs	Kshs
<b>Unconditional Grants</b>		
Capitation Grants	6,262,827.00	8,120,000
<b>Total unconditional Grants</b>		
<b>Total Government Grants and Subsidies</b>	<b>6,262,827.00</b>	<b>8,120,000</b>

Transfers from other Government entities (Categorized)

Name of Kimasian TVC Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
State Department of TVET	6,262,827.00				8,120,000.00
Kipkelion East NG-CDF	1,767,162.00	232,838.00			1,836,645.00
<b>Total</b>	<b>8,029,989.00</b>	<b>232,838.00</b>			<b>9,956,645.00</b>

(This is revenue from Government capitation and Kipkelion East NG-CDF)

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7. Rendering of Services

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Tuition Fees	9,450,599.00	5,357,553.00
Activity Fees	1,121,797.00	538,066.00
Industrial Attachment Fees	623,500.00	342,000.00
Electricity Water and Conservancy	989,287.00	463,800.00
Local Travel and Transport	1,002,513.00	548,153.00
Student union	207,800.00	227,800.00
Medical	38,950.00	114,450.00
Repairs, Maintenance and Improvement	891,765.00	638,880.00
Personal Emolument	3,397,569.00	2,387,800.00
KUCCPS payment	351,000.00	384,000.00
Attachment fee	506,000.00	540,000.00
NITA Examination fee	300,300.00	250,250.00
Training tools	201,600.00	168,000.00
Branded protective attire	84,000.00	70,000.00
Registration	121,500.00	-
TVETA fees	118,000.00	-
Student ID cards	70,800.00	-
Safety boots	4,000.00	-
Computer packages	38,500.00	-
Driving school	276,410.00	-
Undisbursed capitation(Q4) invoiced to students	-	2,070,000.00
<b>Total Revenue from The Rendering of Services</b>	<b>19,795,890.00</b>	<b>14,100,752.00</b>

(This is revenue receivable on trainees on accrual basis as per the college fee structure)

8. Sale of Goods

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Milk sales	152,070.00	146,105.00
Sale of Farm Produce	186,645.00	391,564.00
Cafeteria sales	59,150.00	23,175.00
Sale of boma rhodes	6,900.00	-
<b>Total Revenue from Sale of Goods</b>	<b>404,765.00</b>	<b>560,844.00</b>

(This is revenue from the college farm and cafeteria)

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9. Other Income

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Lease of college farm	5,250.00	-
Surchaging for lost items	-	6,700.00
Staff welfare income	1,580.00	-
Income from KCB	5,000.00	-
ICT Training	-	20,000.00
Sale of scrap metal	51,060.00	-
Driving school income	39,270.00	-
Lease of college items	20,000.00	-
KCB entertainment	108,000.00	9,000.00
KUCCPS registration	-	7,000.00
Salary recovered	-	27,000.00
CBET Training	83,665.00	-
<b>Total other income</b>	<b>313,825.00</b>	<b>69,700.00</b>

10. Use of Goods and Services

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Industrial visits	47,500.00	-
LTT	2,135,748.00	1,199,020.00
Field Assessment	125,200.00	125,500.00
Marketing, advertisement and Publicity	439,220.00	459,300.00
Student ID	46,800.00	32,700.00
Stationery	203,060.00	-
Airtime	335,500.00	398,000.00
Assorted textbooks	-	243,550.00
Bank Charges	22,716.75	19,926.00
Internet Subscription	212,199.00	147,467.00
EWC	524,064.00	349,308.00
Student insurance	33,400.00	58,800.00
Acquisition of log books	20,000.00	-
Medical expenses	37,450.00	37,250.00
Student union	149,920.00	190,251.00
Training materials(food and beverage)	297,575.00	89,145.00
TVET fairs	670,850.00	380,700.00
Activity,sports and Equipment	809,572.00	484,169.00

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Maize farming	377,669.00	291,690.00
Dairy farming	38,700.00	68,000.00
Horticulture farming	13,500.00	40,250.00
Remitted to KUCCPS	408,000.00	199,500.00
Capacity Building	2,285,055.00	1,682,200.00
Office entertainment	660,657.00	773,572.00
KATTI	60,000.00	80,800.00
Performance Contracting	337,000.00	316,050.00
Service charter	30,000.00	-
KNEC facilitation	228,295.00	256,930.00
Water supply	-	5,000.00
Other subscription	220,756.00	99,850.00
Dean of students	97,730.00	50,680.00
Corporate Social Responsibility	210,560.00	219,920.00
Academic trips	270,300.00	90,850.00
Asset valuation	-	57,826.00
Maintenance and accessories	64,180.00	228,400.00
Store adjustment	-	6,228,723.00
Gratuity	280,462.88	-
Computer packages	6,000.00	-
Quality assurance fees	437,500.00	-
Jitume ICT lab	102,760.00	-
Training fees payable to NTSA	188,480.00	-
KCB expenses	137,820.00	-
KUCCPS	7,000.00	-
CBET	34,240.00	-
Construction of shade 2	55,000.00	-
<b>Total good and services</b>	<b>12,622,438.00</b>	<b>14,900,327.00</b>

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11. Employee Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Basic salary	5,504,695.00	6,382,860.00
Housing allowances	1,289,252.00	1,497,880.00
NSSF Employer contributions	422,066.00	470,927.00
Housing levy Employer contributions	102,886.00	
<b>Employee Costs</b>	<b>7,318,899.00</b>	<b>8,351,667.00</b>

12. Board Expenses

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Directors Emoluments	605,200.00	468,400.00
<b>Total</b>	<b>605,200.00</b>	<b>468,400.00</b>

13. Depreciation and Amortization expense

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property, plant and equipment	11,989,494.00	11,342,866.00
Intangible assets	335,030.00	395,788.00
<b>Total depreciation and amortization</b>	<b>12,324,524.00</b>	<b>11,738,654.00</b>

14. Repairs and Maintenance

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Repair, maintenance and Improvement	1,197,380.00	504,330.00
<b>Total Repairs and Maintenance</b>	<b>1,197,380.00</b>	<b>504,330.00</b>

15. Cash and Cash Equivalents

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Petty cash-Kimasian operation Account	31,928.00	41,997.00
Petty cash-CDF Account	61,000.00	1,000.00
Kimasian operation Account-KCB Londiani	176,481.00	2,593,127.00
Kimasian NG-CDF Account	171,838.00	1,893.00
<b>Total Cash and Cash Equivalents</b>	<b>441,247.00</b>	<b>2,438,017.00</b>

15 . Detailed Analysis of Cash and Cash equivalents

Financial Institution	Account number	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
<b>a) Current Account</b>			
Kenya Commercial Bank-Operation	1269508768	176,481.00	2,393,127.00
Kenya Commercial Bank-NG-CDF	1285514750	171,838.00	1,893.00
<b>Sub- Total</b>		<b>348,319.00</b>	<b>2,395,020.00</b>
<b>b) Others</b>			
Cash in hand-Operation account		31,928.00	41,997.00
Cash in Hand-NG-CDF		61,000.00	1,000.00
<b>Sub- Total</b>		<b>92,928.00</b>	<b>42,997.00</b>
<b>Grand Total</b>		<b>441,247.00</b>	<b>2,438,017.00</b>

16.Receivables from Exchange transactions

16 (a) Current Receivables from Exchange transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Student Debtors	14,588,041.00	10,551,217.00
Sales Debtors	12,210.00	23,040.00
<b>Total Current Receivables</b>	<b>14,600,251.00</b>	<b>10,574,257.00</b>

16 (b) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
	Current FY	% of total	Comparative FY	% of the total
Less than 1 year	7,529,845.00	51.57%	3,454,149.00	33%
Between 1- 2 years	564,626.00	3.87%	1,768,255.00	16%
Between 2-3 years	574,076.00	3.93%	5,351,853.00	51%
Over 3 years	5,931,703.00	40.63%	-	-
<b>Total (a+b)</b>	<b>14,600,251.00</b>	<b>100%</b>	<b>10,574,257.00</b>	<b>100%</b>

16 (c) Reconciliation for impairment Allowance on Receivables from Exchange Transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
At the beginning of the year	10,574,257.00	5,025,867.00
Provisions during the year	0	0
Recovered during the year	0	0
Write offs during the year	0	0
At the end of the year	<b>14,600,251.00</b>	<b>10,574,257.00</b>

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17. Receivables from Non-Exchange transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<b>Current Receivables</b>		
Capitation Grants*	4,417,173.00	0
Transfers from Other Govt. entities	-	-
<b>Total Current Receivables</b>	<b>4,417,173.00</b>	<b>0</b>

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

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

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
	FY2023/2024	% of the total	FY 2022/2023	% of the total
Less than 1 year	4,417,173.00	100%	-	%
Between 1- 2 years	-	-	-	%
Between 2-3 years	-	-	-	%
Over 3 years	-	-	-	%
<b>Total</b>	<b>4,417,173.00</b>	<b>100%</b>	<b>-</b>	<b>%</b>

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
At the beginning of the year	0	2,070,00.00
Additional provisions during the year	0	0
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	<b>4,417,173.00</b>	<b>2,070,000.00</b>

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18. Inventories

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Central-Repairs and Maintenance	56,351.00	156,890.00
Central Store-Stationary	37,248.00	53,000.00
Medical Drug Stores	12,345.00	30,785.00
Plumbing Stores	48,233.00	35,715.00
Farm Stores	63,456.00	82,345.00
Teaching workshop stores	-	14,580.00
Central Electricals	467,665.00	856,740.00
Central Store- ICT Department	28,370.00	98,700.00
Central Store-Mechanical	76,530.00	256,120.00
Central Store-Building And Civic Engineering	256,908.00	85,690.00
Central Store-Administration	56,092.00	79,125.00
Central store-Business	15,160.00	2,399.00
Central Store-Institutional Management	156,780.00	30,190.00
<b>Total Inventories at lower of Cost and Net Realizable Value</b>	<b>1,275,108.00</b>	<b>1,783,279.00</b>

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19. Property, Plant and Equipment

	Land	Buildings	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 <sup>th</sup> June 2022	30,000,000.00	47,410,347.00	529,238.00	2,077,184.00	73,472,152.00	3,218,820.00	156,707,741.00
Additions		3,145,000.00	38,000.00	308,500.00	880,173.00		4,371,673.00
Disposals							
Transfer/Adjustments						-3,145,000.00	-3,145,000.00
At 30 <sup>th</sup> June 2023	30,000,000.00	50,555,347.00	567,238.00	2,385,684.00	74,352,325.00	73,820.00	157,934,414.00
Additions			360,350.00	1,888,000.00	2,290,340.50	1,767,162.00	6,305,852.50
Disposals							
Transfer/Adjustments							
At 30 <sup>th</sup> June 2024	30,000,000.00	50,555,347.00	927,588.00	4,273,684.00	76,642,666.00	1,840,982.00	164,240,267.00
Depreciation And Impairment							
At 30 <sup>th</sup> June 2022		967,558.00	75,605.00	800,222.00	10,496,022.00	-	12,429,407.00
Depreciation		1,159,859.00	70,905.00	1,142,285.00	8,969,87.00	-	11,342,866.00
Disposals							
Impairment							
Transfer/Adjustment							
At 30 <sup>th</sup> June 2023	-	1,978,665.00	146,510.00	1,605,927.00	19,790,063.00	-	23,521,165.00
Depreciation		1,011,107.00	115,949.00	1,282,105.00	9,580,333.00		11,989,494.00
Disposals							
Impairment							
Transfer/Adjustment							
At 30 <sup>th</sup> June 2024	-	2,002,214.00	186,854.00	1,997,810.00	18,874,374.00		23,081,252.00
Net Book Values							
At 30 <sup>th</sup> June 2023	30,000,000.00	59,978,097.00	496,333.00	2,973,834.00	65,058,284.00	63,669,665.00	157,117,929.00
At 30 <sup>th</sup> June 2024	30,000,000.00	49,544,240.00	811,639.50	2,991,578.80	67,062,332.31	1,840,982.00	152,250,773.00

(WIP is construction of NG-CDF classrooms and modern gate)

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**Valuation**

As per National Treasury guidelines, Land and buildings were identified and valued as per the National Liabilities and Management Policy and guidelines (Issued June 2020). The Equipment were grants from the from the Ministry of Education having been valued by AVIC and the amounts incorporated into PPE. Land was donated by the County Government of Kericho at an estimated cost. Buildings were constructed by the National Government at an estimated cost. These amounts were adopted in the financial statements

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

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	30,000,000.00	-	30,000,000.00
Buildings	51,546,232.00	2,004,992.00	49,544,240.00
Plant And Machinery	85,936,707.00	18,874,374.00	67,062,332.00
Computers and Related Equipment	4,989,389.00	1,997,810.00	2,991,579.00
Office Equipment, Furniture, And Fittings	998,493.00	186,854.00	811,640.00
Capital work in progress	1,840,982.00	-	1,840,982.00
<b>Total</b>	<b>175,311,802.00</b>	<b>23,061,030.00</b>	<b>152,250,773.00</b>

**20. Intangible Assets**

Description	FY 2023/2024	FY 2022/2023
	Kshs	
<b>Cost</b>		
<b>At beginning of the year</b>	<b>1,583,152.00</b>	<b>1,590,085.00</b>
Additions	92,000.00	388,855.00
<b>At end of the year</b>	<b>1,675,152.00</b>	<b>1,978,940.00</b>
Additions—internal development	-	-
<b>At end of the year</b>	<b>1,675,152.00</b>	<b>1,978,940.00</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>		
Amortization	335,030.00	395,788.00
<b>At end of the year</b>	<b>335,030.00</b>	<b>395,788.00</b>
Impairment loss	-	-
<b>At end of the year</b>	<b>335,030.00</b>	<b>395,788.00</b>
<b>NBV</b>	<b>1,340,121.00</b>	<b>1,583,152.00</b>

### 21. Biological Assets

	FY 2023/2024	FY 2022/2023
	Kshs	
At beginning of the year	251,000	76,000
Additions-dairy cows	0	175,000
At end of the year	251,000	251,000
Total at the end of the year	251,000	251,000

### 22. Trade and Other Payables

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
General creditors	7,553,642.00		2,908,120.00	
Imprest creditors	172,500.00		-	
HELB control A/C	56,635.00		-	
KNEC examination fees	337,170.00		-	
Kericho county bursary fund	16,280.00		-	
Airtime creditors	69,000.00		-	
<b>Total Trade and Other Payables</b>	<b>8,205,227.00</b>		<b>2,908,120.00</b>	
<b>Ageing analysis:</b>	<b>FY2023/2024</b>	<b>% of the Total</b>	<b>FY 2022/2023</b>	<b>% of the Total</b>
Under one year	8,205,227.00	100%	2,908,120.00	100%
1-2 years	-	-		
2-3 years	-	-		
Over 3 years	-	-		
<b>Total</b>	<b>8,205,227.00</b>	<b>100%</b>	<b>2,908,120.00.00</b>	<b>100%</b>

### 23. Refundable Deposits from Customers

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
Caution money	735,000		717,000	
<b>Total Deposits</b>	<b>735,000</b>		<b>717,000</b>	
<b>Ageing analysis:</b>	<b>FY 2023/2024</b>	<b>% of the Total</b>	<b>FY 2022/2023</b>	<b>% of the Total</b>
Under one year	18,000.00	2.4%	168,000.00	23%
1-2 years	168,000.00	22.9%	339,000.00	47%
2-3 years	339,000.00	46.1%	210,000.00	30%
Over 3 years	210,000.00	28.6%	-	0%
<b>Total (to tie to totals deposits above)</b>	<b>735,000.00</b>	<b>100%</b>	<b>717,000.00</b>	<b>100%</b>

24. Deferred Income

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Deferred income(NG-CDF)	232,838.00	1,893.00
<b>Total Deferred Income</b>	<b>232,838.00</b>	<b>1,893.00</b>

The deferred income movement is as follows:

Description	NG-CDF-Ki pkelion East	Internationa l funders/ donors	Public contribution s and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	1,893.00			1,893.00
Additions during the year	2,000,000.00			2,000,000.00
Transfers to capital fund	-			-
Transfers to income statement	1,767,162.00			1,767,162.00
Other transfers	-			-
Balance carried forward	232,838.00			232,838.00

Analysed as:

Description	Amount
	Kshs
Current	232,838.00
Non- Current	
<b>Total</b>	<b>232,838.00</b>

25. Employee Benefit Obligations

Description	Defined benefit plan	Post-emp loyment medical benefits	Other Provision s	FY 2023/202 4	FY 2022/202 3
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation				111,992.0 0	98,974.00
<b>Total Employee Benefits Obligation</b>				<b>111,992.0 0</b>	<b>98,974.00</b>

Kimasian TVC also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. Kimasian TVC's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 1,080 per employee per month. Employees contribute 6% while employers contribute 6% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

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26. Payments received in advance.

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
Fees received in advance	7,096,381.00		6,303,422.00	
Others (Specify)				
<b>Total</b>	<b>7,096,381.00</b>		<b>6,303,422.00</b>	
<b>Ageing analysis:</b>	<b>Current FY 2023/2024</b>	<b>% of the Total</b>	<b>Comparative FY 2022/2023</b>	<b>% of the Total</b>
Under one year	508,604.97	7.3%	2,344,417.00	37%
1-2 years	2,698,239.93	38.0%	1,845,715.00	29%
2-3 years	2,570,311.04	36.2%	2,114,290.00	34%
Over 3 years	1,319,225.06	18.5%		
<b>Total</b>	<b>7,096,381.00</b>	<b>100%</b>	<b>6,303,422.00</b>	<b>100%</b>

27. Cash generated from operations.

Surplus for the year before tax	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<b>Adjusted for:</b>	(5,523,972.00)	(11,275,437.00)
Depreciation	12,324,524.00	11,738,654.00
<b>Working Capital Adjustments</b>		
Increase in Inventory	508,171.00	2,706,843.00)
Increase in Receivables	(8,443,167.00)	(4,573,781.00)
Increase in Deferred Income	230,945.00	(1,836,645.00)
Increase in Payables	5,328,125.00	2,496,620.00
Increase in Payments received in advance	5,412,163.00	(742,663.00)
<b>Net Cash Flow from Operating Activities</b>	<b>9,836,789.00</b>	<b>(1,373,428.00)</b>

## 28. Financial Risk Management

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

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

### (i) Credit risk

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

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

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2023</b>				
Receivables from exchange transactions	10,574,257.00	3,454,149.00	7,120,108.00	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	2,438,017.00	2,438,017.00	-	-
<b>Total</b>	<b>13,012,274.00</b>	<b>5,892,166.00</b>	<b>7,120,108.00</b>	
<b>At 30 June 2024</b>				
Receivables from exchange transactions	14,600,251.00	7,529,845.00	1,138,702.00	5,931,703.00
Receivables from non-exchange transactions	4,417,173.00	4,417,173.00	-	-
Bank balances	441,247.00	441,247.00	-	-
<b>Total</b>	<b>19,458,671.00</b>	<b>12,388,265.00</b>	<b>1,138,702.00</b>	<b>5,931,703.00</b>

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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.

Kimasian TVC has significant concentration of credit risk on amounts due from 2019-2024.

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

**(ii)Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with Kimasian TVC's directors, who have built an appropriate liquidity risk management framework for the management of Kimasian TVC's short, medium and long-term funding and liquidity management requirements. Kimasian TVC manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2023</b>				
Trade Payables	-	-	2,908,120.00	2,908,120.00
Deferred Income	-	-	1,893.00	1,893.00
Employee Benefit Obligation	98,974.00	-	-	98,974.00
<b>Total</b>	<b>98,974.00</b>	<b>-</b>	<b>2,910,013.00</b>	<b>3,008,987.00</b>
<b>At 30 June 2024</b>				
Trade Payables	-	-	8,205,227.00	8,205,227.00
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	232,838.00	-	232,838.00
Employee Benefit Obligation	111,992.00	-	-	111,992.00
<b>Total</b>	<b>111,992.00</b>	<b>232,838.00</b>	<b>8,205,227.00</b>	<b>8,550,057.00</b>

**(iii) Market risk**

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

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

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

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

***Management of interest rate risk***

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

**iv) Capital Risk Management**

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Revaluation Reserve		
Retained Earnings	41,160,097.00	34,359,545.00
Capital Reserve	117,034,156.00	129,358,680.00
<b>Total Funds</b>	<b>158,194,253.00</b>	<b>163,718,225.00</b>
Total Borrowings		
Less: Cash and Bank Balances	(441,247.00)	(2,438,017.00)
Net Debt/(Excess Cash and Cash Equivalents)		
<b>Gearing</b>	<b>0.28%</b>	<b>1.5%</b>

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**29. Related Party Balances**

**Nature of related party relationships**

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

**Government of Kenya**

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

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

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<b>Transactions with Related Parties</b>		
<b>a) Sales to related parties</b>		
<b>Total</b>		
<b>B) Purchases from related parties</b>		
Purchases of electricity from kplc	524,064.00	349,308.00
Purchase of water from govt service providers	-	5,000.00
<b>Total</b>	<b>524,064.00</b>	<b>354,308.00</b>
<b>b) Grants /Transfers from the Government</b>		
Grants from National Govt	6,262,827.00	8,120,000.00
Grants from NG-CDF	2,000,000.00	-
Donations in Kind	5,000.00	-
<b>Total</b>	<b>8,267,827.00</b>	<b>8,120,000.00</b>
<b>c) Expenses incurred on behalf of related parties</b>		
Payments of Salaries and Wages for college Employees	7,318,899.00	8,351,667.00
Payments for Goods and Services for college use	12,622,438.00	14,900,327.00
<b>Total</b>	<b>19,941,337.00</b>	<b>23,251,994.00</b>
<b>d) Key Management Compensation</b>		
Directors' emoluments	605,200.00	468,400.00
<b>Total</b>	<b>605,200.00</b>	<b>468,400.00</b>

**30.Events After The Reporting Period**

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

**31.Ultimate And Holding Entity**

Kimasian TVC is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**32.Currency**

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

### 33. Appendices

#### Appendix 1: Implementation Status of Auditor-General Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Inaccuracy in the Financial position	It has been corrected	resolved	30 <sup>th</sup> June 2024
2	Inaccuracies in the statement of changes in net assets	It has been corrected	resolved	30 <sup>th</sup> June 2024
3	Inaccuracies in the statement of cash flows	It has been corrected	resolved	30 <sup>th</sup> June 2024
4	Variances in the financial statements	It has been corrected	resolved	30 <sup>th</sup> June 2024
5	Unsupported receivables from exchange transactions	It has been corrected	resolved	30 <sup>th</sup> June 2024
5	Lack of valuation and asset ownership documents	It has been corrected	resolved	30 <sup>th</sup> June 2024

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for the implementation of each issue;

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(iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to the National Treasury

Name **COORY KIPKEMBOI**  
Accounting Officer  
(Kimasian TVC)  
Date



Appendix II: Projects Implemented by (Kimasian TVC)

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1. CONSTRUCTION OF MODERN GATE		KIPKELION EAST NG-CDF	9 Months	2,000,000	NO	YES

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	CONSTRUCTION OF MODERN GATE	2,000,000	1,767,162	88.36%	2,000,000	2,000,000	KIPKELION EAST NG-CDF

The Bill of Quantities estimated cost was Kshs(3,110,000) but we received Kshs(2,000,000) from Kipkelion East NG-CDF. The utilization of the actual money received is 88.36%

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**Appendix III- Inter-Entity Confirmation Letter**

Name of transferring entity Ministry of Education State Department for TVET

Name of beneficiary entity Kimasian TVC

Confirmation of amounts received by Kimasian TVC as at 30 <sup>th</sup> June 2024					
Reference Number	Date Disbursed	Capitation(A)	Scholarship(B)	Total (C)=(A+B)	Remarks
FT232713M8XL	28/09/2023	2,345,000.00		2,345,000	Q1 CAPITATION
FT24018Q3782	18/01/2024	1,421,000.00		1,421,000	Q2 CAPITATION
FT240317BJ3S	31/01/2024	1,624,000.00		1,624,000	Q3 CAPITATION
FT24151G18WV	30/05/2024	872,827.00		872,827.00	Q4 CAPITATION
FT24040R713P	09/02/2024		3,997,745.50	3,997,745.50	SCHOLARSHIP
FT24058DQTW1	27/02/2024		335,945.00	335,945.00	SCHOLARSHIP
Total		6,262,827.00	4,333,690.50	10,596,517.50	

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

**Head of Accounts Department - Disbursing Entity:**

Name Miriam chelangat Sign meb Date 9/6/25

**Head of Accounts Department - Beneficiary Entity:**

Name ..... Sign ..... Date .....

Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Tree planting	Tree planting	Greening of TVET and neighbouring Mau forest	Planting trees at Chebewor Forest	-	-	-	114,060	A-in-A	Kenya Forest Service, KCB Bank Londiani

Appendix V: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
Fire drills	General first aid procedures	Fire	Fire drills and general first aid procedures	Security	60,000.00	Training fee
				Refreshments	14,380.00	Cost of meals