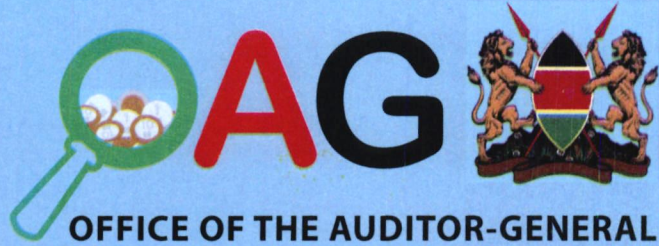


REPUBLIC OF KENYA



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REPORT

OF

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 26 JUN 2025	DAY: THUR
TABLED BY:	HON. GEORGE MURUGARA, MP ON BEHALF OF LEADER OF THE MAJORITY PARTY
CLERK-AT THE-TABLE:	YIYIAN WAMBUI

THE AUDITOR-GENERAL

ON

**KERIO VALLEY TECHNICAL AND
VOCATIONAL COLLEGE**

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



KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2021

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

**KERIO VALLEY TECHNICAL AND VOCATION COLLEGE
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JUNE 2021**

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1. Acronyms & Glossary of Terms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College
Fiduciary Management	Key management personnel who have financial responsibility in the entity

2. Key Entity Information and Management

(a) Background information

Kerio Valley Technical and Vocational College is situated in Mrakwet East sub-county in Elgeiyo –marakwet county. It is 150 Km from Eldoret town and 7 Km from Tot centre. It is along Kapsowar –Tot-Marich. The idea of establishing the college came in 2007 when community members saw the need to have a youth polytechnic in the region. The community leaders mobilised the community members for land. The community members after along discussion and persuasion gave out 92 acres of their land to Kerio Valley Technical training institute. The clans who gave out their land were Kamariny and Karamwar in Talai location. Four classrooms were constructed by CDF. Kerio valley TTI was identified by Elgeiyo marakwet county. The modern building was constructed and equipped by the Ministry Of Education and it is a centre of excellence in tailoring and fashion design.

(b) Principal Activities

The principal activity of the Institute is to offer high quality Technical Training, carry out innovative research and community outreach programmes for sustainable socio-economic development.

Vision

A centre of excellence in TVET, Research and innovations

Mission

To provide globally competitive skills in TVET, innovation and research solutions for socio-economic prosperity

Core values

Professionalism
Accountability
Teamwork
Reliability
Integrity
Innovation & Creativity
Customer Focus

(c) Key Management

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

- Board of Governors.
- Principal
- Deputy Principal's
- Head of Departments

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(d) Fiduciary Management

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

No.	Designation	Name
1.	Principal	JOHNSTONE LOBILLAGHAN
2.	Deputy principal Finance	-
3	Deputy principal Academics	CHARLES KOECH(Ag)
4	Registrar (s)	JAMES BOR(Ag)
5	Dean of students	-
6	Head of Finance	-
7	Accounts Clerk	STEPHEN RUTTO

(e) Fiduciary Oversight Arrangements

1. Finance, Infrastructure and General Purpose chaired by Edwin Kemboi Sute
2. Education, Research and Training chaired by Lorna Kipsang
3. Audit and Risk management chaired by Dr. Loice Kipkiror

Other organs carrying out oversight include;

1. State Department of Vocational Technical Training under Ministry of Education
2. Public Procurement and Oversight Authority
3. Office of the Auditor General
4. Technical Vocational Education and Training Authority (TVETA)

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Key Entity Information and Management (Continued)

(f) Entity Headquarters

P.O. Box 152-30700
ITEN, KENYA

(g) Entity Contacts

Telephone: (254) 792046187
E-mail: keriovalleytti@gmail.com
Website: www.keriovalleytvc.ac.ke

(h) Entity Bankers

Kenya Commercial Bank
Eldoret Main Branch
P.O Box 560-30100
Eldoret, Kenya

(i) Independent Auditors



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

(j) Principal Legal Adviser



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

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3. THE BOARD OF GOVERNORS

No.	Member/ Director	Details
1.	 <p>BoG Chairman – Paul Suter</p> <p>PhD Sociology (Moi University) MA in Sociology (UoN) BA Sociology & Economics (Egerton University)</p>	<p>Dr. Paul C. Sutter was born in 1968. He is the Chairman of the Board of the College. He is a Sociologist. He Holds a PhD Sociology from Moi University, MA in Sociology from University of Nairobi and a BA in Sociology and Economics from Egerton University. He as a wealth of experience in management and general administration having worked in several docket. He is Currently the Head of Department of Sociology, Psychology & Anthropology , Moi University, Also the Coordinator , Privately Sponsored Students Programme(PSSP) School of Arts & Social Sciences, Moi university</p>
2.	 <p>BoG – Member Dr. Loice j. Kipkorir (PhD) PhD(UoE) MSc (Moi University) BEd (UoN)</p>	<p>Dr Loice J. Kipkorir (PhD) was born in 1972. She is a member of the college board. She is a member of Human resource and General Purpose Committees. She is an experienced educationist. She is a lecturer, Humanities Department; School of Arts and Social Science, University of Kabianga. She holds other administrative responsibilities at the university; member of the university senate, Internal auditor (Quality Management Systems, Teaching Practice Assessor and a member of the Disability mainstreaming committee. Others <u>Responsibilities</u> include: Environmental consultant- lead Expert registered by National Environment Management Authority (NEMA), A Newspaper Columnist with the Nation Newspaper on Environmental matters. She Was formerly: A Head of Humanities Department, Member of the school academic Committee in Seko Girls High School. She was a Teacher in the following secondary</p>



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		<p>schools; Moi Girls High School – Eldoret and Atanus Secondary School in Keiyo District. She Holds a PhD in Environmental Studies from University of Eldoret, MSc in Environmental Studies from Moi University and a Bachelor of Education from University of Nairobi.</p>
<p>3.</p>	 <p>BoG - Member Mr. Chang'kwony M Nixon MBA (Catholic University of Eastern Africa) BCOM (Catholic University of Eastern Africa) CPA (K)</p>	<p>Chang'kwony M Nixon was born 1978. He is a member of the finance committee in the college board. He is currently the CO Finance in Elgeyo Marakwet County. He has a wealthy experience in Accounting and Economic Planning. He is a former Senior Accountant, County Referral Hospital, in the Department of Finance and Planning, in the County Government of Baringo. He formerly served in various capacities including, Senior Accountant in the County Head Office Treasury-Baringo county, was also a County, Sub – County Accountant, also he formerly worked with Kerio Community service as Accounts Clerk. He holds Master of Business Administration from Catholic University of Eastern Africa, Bachelor of Commerce from Catholic University of Eastern Africa and Certified Public Accountant - CPA (K) – KASNEB.</p>
<p>4.</p>	 <p>BoG – Member Mr. Wekesa James Juma MSc. Agricultural Engineering(JKUAT) Bsc. (Egerton University)</p>	<p>Wekesa James Juma was born in 1967. He is a member of the college board. He is a member of Human resource and General Purpose and Finance Committees. He has a vast experience in Agriculture and has served in different capacities in the county. He is the Acting County Director Elgeyo Marakwet County. He has previously served has Sub-County Agriculture officer, Marakwet West Sub-county. He was formely the County Soil and Water Conservation Officer, Elgeyo Marakwet County. He has attended various trainings and workshops in special areas of interest. He</p>

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		<p>Holds a Masters in Agricultural Engineering from Jomo Kenyatta University of Agriculture and Technology and a Bachelor's Degree from Egerton University.</p>
5.	 <p>BoG – Member Ms. Lorna C. Kipsang Masters in Development Studies (Catholic University of Eastern Africa) BEd (Catholic University of Eastern Africa)</p>	<p>Lorna C. Kipsang was born 1981. She is a member of the college board. . He is a member of Human resource and General Purpose and Finance Committees. She is CO Sports and gender in Elgeyo Marakwet County. She is former teacher and HOD English Department Kapsowar Girls Secondary School. She is currently the Assistant County Scout Commissioner in charge of programmes in Elgeyo Marakwet County and also Assistant Sub-County Scout Commissioner Marakwet West. She a member of the following organizations; Kenya Red Cross, Rift Valley Music Association and Marakwet Music Association. She holds a Masters in Development Studies from Catholic University of Eastern Africa and a Bachelors of Education Degree from Catholic University of Eastern Africa</p>
6.	 <p>BoG – Member Mr. Edwin Kemboi Sutter MA Maseno university() BSc Computer Science, University of Hertfordshire(UK) Higher Diploma in Management Information Systems (UK), BSc Mathematics (Kenyatta</p>	<p>Mr Kemboi is the Chief Information Officer Sunbridge Online Merchants Limited . He is the former Chief Officer – ICT & e-Government Uasin Gishu County from 2013-2018. Mr Kemboi also served in different level as: Head of ICT, Deputy Head ICT and ICT Officer in the Ministry of Medical Services.He is also a former teacher of Kitany High school. He holds a MA degree from Maseno University, BSc Computer Science, University of Hertfordshire, United Kingdom ,Higher Diploma in Management Information Systems (MIS), Institute of the Management Information Systems, United Kingdom Diploma in Advanced Study of Theory & Practice of Management/Administration, Cambridge International College, Jersey, United Kingdom ,Diploma in Office Management/Administration, Cambridge International College, Jersey, Great United Kingdom, Diploma in Computers in Business & Administration, Cambridge International College, Jersey, United Kingdom and BSc Mathematics, Kenyatta University. Mr Kemboi Hold various certification in the ICT field which include:</p>

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	University)	CCNA,CCNP, CISA, MCSE and other senior management courses from reputable institutions
7.	 Geoffrey Gichuru Mutulili Master's in Business Administration (Management Information Systems) and B.Ed. (Arts)	Mr.Gichuru Mutulili was born on 3 rd Sept.1966; He is the current TVET County Director Uasin Gichu, Nandi and Elgeyo Marakwet Regions. He is the Ministry's representative in the Board and provide advice and guidelines on Ministry's strategic goals, mandate and policy direction. He holds Master's in Business Administration (Management Information Systems) and B.Ed. (Arts) Mathematics & Business Studies. He is a Member Human, Resource, Education and Research Committee.
8.	 Principal/ BOG Secretary Mr. Johnstone Lobillaghan BEDTECH(Moi University)	Mr. Johnstone Lobillaghan was born in 01/07/1968.He is the Board's Secretary of the college. He is a graduate from Moi University Bachelor of Education in Education Technology (B.ED Technology) He has served as principal in Kerio Valley High School for over five years. He has undergone various short courses in Education Management. He has over 28 years teaching experience.

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4. Management Team

SN.	Details	Professional Qualifications
1.	 Johnstone Lobillaghan Bachelor of Education in Technology Education (BED Technology)	Principal
2.	 Wesley Rutto BED Technology Education	Deputy Principal (Administration)
3.	 James Bor Bsc Computer Science	Registrar

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4.	 <p>Victor Kibet Bsc Fashion Design and Textile Technology</p>	Dean of Students'
5.	 <p>Harrison Kiptilak CPA(KASNEB)</p>	Accountant

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5. Chairman's Statement

It is my pleasure to present the Kerio Valley Technical and Vocational College Annual report and financial statement for the year ended 30th June 2021.

During the year under review the College registered low growth in enrolment of students. The Board employed more trainers to provide required manpower. The Board committed resources towards the provision of training materials, tools and equipment to ensure quality in training.


Capacity building and training of staff were conducted during the period. This will go a long way in transforming the approaches in management of college activities and service delivery to trainees.

I wish to thank the Government of Kenya for supporting TVET and making it attractive through scholarship, capitation, HELB facilities and provision of state of art training equipment. However, due to under funding of students capitation and delayed disbursement of students scholarship's, capitation and HELB loan 's college operations were affected and our appeal to the Government is to ensure that adequate funding are provided to TVET to ensure delivery of quality service.

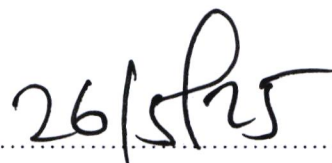
Due to increased enrolment, the capacity of tuition facilities is currently strained. I therefore appeal to the Government to consider providing development grants for expansion of infrastructure to accommodate rising number of students and enhance access to training.

Finally, I thank all stakeholders for their continued support and we endeavour to make even greater strides in the coming years to achieve our vision.

Signature



Date



DR. PAUL C. SUTER.

BOARD OF GOVERNORS CHAIRPERSON

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6. Report of the Chief/Senior Principal

I'm pleased to present the Annual report and financial statements for the year ending 30th June 2021. During the year, the college had a low student's enrollment and the management has put in place marketing strategies to market college programmes in the subsequent financial year. The college has improved on its service capacity through recruitment of more trainers employed by the Board of Governors and Public service Commission.

During the year under review, the college received **Kshs.2,446,020** from the following sources .Students' fees (A in A) **Ksh 1,727,460** and **Ksh 718,560** from GOK student capitation and total expenditure stood at **Kshs 1,727,065** resulting to a surplus of **Ksh 2,173,940**. The surplus is attributed to the low student's enrollment during the financial year and underfunding of students' capitation hence affecting college operations and implementation of college programmes. I wish to extent my appreciation to students for exhibiting good behaviour and discipline.

I also appreciate the Board of Governors for providing the strategic leadership as well as staff for their commitment to providing service. In conclusion I wish to thank all stake holders for their support during the period.

Signature


MR. JOHNSTONE LOBILLAGHAN
PRINCIPAL/BOG SECRETARY.

Date



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7. Statement of Performance against Predetermined Objectives

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

Kerio valley technical and vocational college has 8 strategic areas and objectives within current Strategic Plan for the FY 2020/2021 -2023/2025. These strategic areas are follows:

- 1) Training;
- 2) Infrastructure and Development;
- 3) Governance and Human Resource;
- 4) Financial Stewardship and Sustainability;
- 5) ICT Integration;
- 6) Research, Innovation and Enterprise;
- 7) Collaborations and Partnerships; and
- 8) Students Welfare.

The institute develops its annual work plans based on the above 8 areas. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The institute achieved its performance targets set for the FY 2021/2021 period for its 8 strategic areas, as indicated in the diagram below:

Strategic Areas 1: (Training)	Output/activity	quarterly budget estimates –Ksh '000,000'					Implementer	Remarks
		Q1	Q2	Q3	Q4	TOTAL		
SWOT analysis of programmes	Relevance of training programmes	0.3175	0.3175	0.3175	0.3175	1.27	Principal	Done
Set up academic review committee	Relevance of CBET programmes	0.3175	0.3175	0.3175	0.3175	1.27	Principal	Done
Labour needs assessment	CBET training	0.3175	0.3175	0.3175	0.3175	1.27	Principal	continuous
Induct trainers on CBET curriculum	Quality training	0.3175	0.3175	0.3175	0.3175	1.27	Principal	continuous
Increases CBET courses	CBET programmes	0.0675	0.0675	0.0675	0.0675	0.27	Principal	continuous
Application to TVETA for registration and accreditation of CBET courses	Accreditation of CBET programmes	0.0675	0.0675	0.0675	0.0675	0.27	Principal	continuous
Establish CBET implementation committee	Monitoring evaluation and reporting	0.0675	0.0675	0.0675	0.0675	0.27	Principal	continuous
Implement developed curriculum	Quality up	0.0675	0.0675	0.0675	0.0675	0.27	Principal	continuous
Upgrade staff skills	Quality training	1.05	1.05	1.05	1.05	4.2	Principal	continuous

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Attachment of trainers to industry	Quality training	0.95	0.95	0.95	0.95	3.8	Principal, ILO	continuous
Acquiring and equipping the institute with adequate and modern learning facilities	Quality training	6.465	6.465	6.465	6.465	25.86	Principal, HoDs	continuous
Improve students enrolment from current 161 to 500 plus	Credible marketing to improve students enrolment	0.275	0.275	0.275	0.275	1.1	Principal, Registrar, HoDs	continuous
Sub total		10.28	10.28	10.28	10.28	41.12		
Strategic Area 2: Infrastructure Development								
Renovation of institute facilities , upgrading the gate	Corporate image	0.5	0.5	0.5	0.5	2	Principal	continuous
Construction of three workshops , 10 classrooms	Quality of training	0.75	0.75	0.75	0.75	3	Principal, BOG	continuous
Equipped the three workshops with modern training facilities	Safety and quality learning	2.755	2.755	2.755	2.755	11.02	Principal	continuous
Construct a multipurpose hall	Quality training	11.19	11.19	11.19	11.19	44.76	Principal	continuous
Construct two lecture halls installed with projectors or smart boards	Quality training	2.5	2.5	2.5	2.5	10	Principal	continuous
Construct two hostels for trainees	Residential purposes	2	2	2	2	8	Principal	continuous
Improving ICT infrastructure in the institute	Quality training and service delivery	0.371	0.371	0.371	0.371	1.485	Principal	continuous
Develop and implement a frame work or management of organization assets	Assets management	2.325	2.325	2.325	2.325	9.3	Principal, BOG	continuous
Develop master plan on organization's infrastructure	Assets management	2.325	2.325	2.325	2.325	9.3	Principal	continuous
Sub total		24.71625	21.71625	21.71625	21.71625	98.865		
Strategic Area 3: Governance and Human Resource								
Reviewing the human	Staff welfare	0.03	0.03	0.03	0.03	0.12	Principal	continuu

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policy to align to PSC								ous
Induct new Board members	Quality services	0.32	0.32	0.32	0.32	1.28	Principal/ BOG	contin ous
Train new members on corporate governance	Good corporate governance	0.32	0.32	0.32	0.32	1.28	Principal	contin ous
Train management on strategic leadership	Good corporate governance	0.32	0.32	0.32	0.32	1.28	Principal, BOG	contin ous
Induct new students' council members	Good leadership	0.32	0.32	0.32	0.32	1.28	Principal	contin ous
Train students' council on leadership skills	Charismatic leadership	0.32	0.32	0.32	0.32	1.28	Principal	contin ous
Conduct regular team building activities	Improve service delivery	0.32	0.32	0.32	0.32	1.28	Principal	contin ous
Develop succession plans for Board of governors and students' council	Performance management	0.2	0.2	0.2	0.2	0.8	Principal	contin ous
Competitive recruitment and promotion of staff on merit, retain and reward high quality workforce and also implement recognition and rewards scheme package	Competent human resource	6.75	6.75	6.75	6.75	27	Principal ,BOG	contin ous
Regular review of terms and conditions of service	Staff welfare	0.1	0.1	0.1	0.1	0.4	Principal, BOG	contin ous
Continuous investment in staff development	Staff development	0.675	0.675	0.675	0.675	2.7	Principal	contin ous
Strengthening performance review and appraisal support system	Performance management	0.325	0.325	0.325	0.325	1.3	Principal	contin ous
Promote quality and respect for diversity through appropriate leadership culture	Gender mainstreaming	0.05	0.05	0.05	0.05	0.2	Principal	contin ous
Enhance staff feedback improvement systems to determine satisfaction levels	Quality services	0.0675	0.0675	0.0675	0.0675	0.27	Principal, HoDS	contin ous
To improve governance systems by implementing existing ISO standards and QMS	Efficiency of ISO operations	0.30725	0.30725	0.30725	0.30725	1.229	Principal, BOG	contin ous
To build and improve capabilities of the institute to effectively manage risks within its	Safety and security	0.115	0.115	0.115	0.115	0.46	Principal, BOG	contin ous

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operations								
To strengthen corporate affairs and communication	Collaborations and partnerships	0.0675	0.0675	0.0675	0.0675	0.27	Principal, BOG, Registrar	continuous
Enhance effective KVTTI security services	Improve security	0.045	0.045	0.045	0.045	0.18	Principal, BOG	continuous
Sub total		10.65225	10.65225	10.65225	10.65225	42.609		
Strategic Area 4: Financial Stewardship and Sustainability								
Increasing and strengthening revenue streams	Increased revenue	0.7875	0.7875	0.7875	0.7875	3.15	Principal, BOG,FO	continuous
Mainstreaming consultancy services and activities of the institute	Research and extension	0.018	0.018	0.018	0.018	0.09	Principal, FO, HoDs	continuous
Enhancing efficiency in utilization of resources	Financial management perspective	0.045	0.045	0.045	0.045	0.18	Principal, BOG,FO	continuous
Ensuring and strengthening internal systems for transparency and accountability of financial sustainability by procuring necessary resources and appropriate allocation	Accountability and transparency	0.37	0.37	0.37	0.37	1.85	Principal, BOG,FO	continuous
Increasing donor funding	Revenue generation	0.0125	0.0125	0.0125	0.0125	0.05	Principal	continuous
To support and maintain a strong internal audit unit	Effective internal audits	0.0125	0.0125	0.0125	0.0125	0.05	Principal, BOG, Auditor, FO	continuous
To strengthen the procurement and supplies system	Efficient procurement	0.0125	0.0125	0.0125	0.0125	0.05	Principal, BOG	continuous
Investing in Green energy and farm productivity	Green energy	0.2208	0.2208	0.2208	0.2208	1.104	Principal,	continuous
Sub total		1.631	1.631	1.631	1.631	6.524		
Strategic Area 5: ICT Integration								
To upgrade infrastructural facilities so as to correspond to the training standards	Improvement in use of technology	0.7875	0.7875	0.7875	0.7875	3.15	Principal, HoDs, BOG	continuous
Sub total		0.7875	0.7875	0.7875	0.7875	3.15		

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Strategic Area 6: Research, Innovation and Enterprise								
Developing and implementing appropriate research and extension programmes	Research	0.18	0.18	0.18	0.18	0.72	Principal, HoDs	contin ous
Promoting , dissemination of research outputs through extension	Research and innovation	0.34	0.34	0.34	0.34	1.36	Principal, HoDs	contin ous
Sub total		0.52	0.52	0.52	0.52	2.08		
Strategic Area 7: Collaborations and Partnerships								
To ensure and foster effective partnerships and linkages with the institute to promote strategic collaboration and linkages with industry and other institutions	Indicators	1.065	1.065	1.065	1.065	4.257	Principal ,BOG	contin ous
Sub total		1.065	1.065	1.065	1.065	4.257		
Strategic Area 8: Students Welfare								
Constitute office of career services (OCS) to document students' issues	Students welfare	0.421	0.421	0.421	0.421	1.684	Principal	contin ous
Expose and promote talents by enhancing and strengthening co-curricular activities	Students welfare	0.9165	0.9165	0.9165	0.9165	3.666	Principal	contin ous
Promote the health of students by establishing and operational medical clinic	Students welfare	0.4215	0.4215	0.4215	0.4215	1.686	Principal, BOG	contin ous
Promote HIV/AIDS and malaria prevention and support programmes	Students welfare	0.0225	0.0225	0.0225	0.0225	0.09	Principal	contin ous
Sub total		1.7815	1.7815	1.7815	1.7815	7.126		

8. Corporate Governance Statement

APPOINTMENT OF BOARD

The Chairman and Members of the Board were appointed by the Cabinet Secretary of Education on March 2020 for a 3-year term.

INDUCTION AND TRAINING OF THE BOARD

During the year in review, the Board had no training due to financial challenges..

CORPORATE GOVERNANCE

During the year under review, Members of the Board committed themselves to the service of Kerio Valley Technical and Vocational College and upheld the tenets of good corporate Governance by being transparent, accountable, persons of integrity, socially responsive, promoted excellence and exercised fairness in all dealings.

ROLE AND FUNCTIONS OF THE BOARD OF GOVERNORS.

During the year in review the Board held a total of 1 meetings. The meetings consisted one scheduled meeting every quarter. The following are functions of the Board of Governors as stipulated in the TVET Act 2013 Section 29

- a) Overseeing the conduct of education and training in the institution in accordance to the Act and other written laws
- b) Promoting and maintaining standards, quality and relevance in education and training in the institution
- c) Administering and managing the property of the institution
- d) Developing and implementing the institutions' strategic plan

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- e) Preparing annual estimates of revenue and expenditure for the institution incurring expenditure on behalf of the institution,
- f) Receiving on behalf of the institution, fees, grants, subscriptions donations, bequests or other monies and make disbursements to the institution or other bodies or persons
- g) Determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of the TVET Act.
- h) Mobilizing resources for the institution
- i) Developing and reviewing programmes for training and to make representations thereon to the TVETA Board
- j) Regulating the admission and exclusion of students from the institution, subject to a qualification framework and the provisions of the TVET Act
- k) Approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by TVETA board
- l) Determining terms and conditions of support staff, trainers and instructors and remunerating the staff of the institution in consultation with TVETA
- m) Making regulations governing organization, conduct and discipline of staff and students.
- n) Preparing comprehensive annual reports on all areas of their mandate, including education and training services and submitting the same to TVET Board
- o) Providing for welfare of students and staff of the institution
- p) Encouraging, nurturing and promoting democratic culture, dialogue and tolerance in institution
- q) Discharging all functions conferred upon it by the Act or any other written Law.

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9. Management Discussion and Analysis

The college closed the year with a surplus of **Ksh 2,173,940** and expenses of **Ksh 1,727,065**.

Major risk facing the college.

In the financial year under review the college faced the following challenges in service delivery to the students,

- i. Underfunding of MOE capitation leading to delayed service delivery and meeting college financial
- ii. Due to the insecurity around the college the college had a low trainee's enrolment.
- iii. Delayed disbursement of student's loans and scholarships has impacted negatively on fees collections and therefore huge arrears

Project implemented by the College.

No projects implemented by the College.

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
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10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING STATEMENT

Kerio valley technical and vocational college exists to transform lives. This is our purpose; the driving force behind everything we do. Its what guide us to deliver our strategy, which is founded on eight areas: putting the customer /customer first, delivering relevant goods and services, and improving operational excellence.

Below is a brief highlight of our achievement in each area.

1. Environmental performance

During the year under review, the College participated in trees planting The aim was to educate students on importance of environmental conservation.

2. Employment welfare

The college also intends to carry out occupational health and safety Audit of college workplace to ensure staff safety in workplace.

3. Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

The institute brands itself as a corruption free zone and every member of staff is required to sign an integrity pact, provided corruption reporting and complaints boxes and developed code of conduct and whistle blowing policy.

b) Responsible Supply chain and supplier relations- the institute follows the guidelines of public procurement Act, 2015 provisions and institute charter in handling its suppliers. We have also developed a complaints and compliments structures that provide feedback mechanism .

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices.

d) Product stewardship - we strive to patent projects of students that have been approved during TVET fairs and a number of projects were patented during the year under review.

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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, 2021, which show the state of the institute's affairs.

Principal activities

The principal activities of the institute are to offer high quality technical training, carry out innovative research and community outreach programmes for sustainable social-economic development. Promote and adopt principle of good governance and achieve high service work.

Results

The results of the entity for the year ended June 30, 2021 are set out on page 1-6

Board of Governors

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

Auditors

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

By Order of the Board

DR. PAUL C. SUPPER

Board Chairperson

Date:

26/5/21

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
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12. Statement of Board of Governors Responsibilities

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

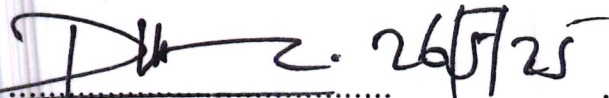
The board members are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the institute, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.


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

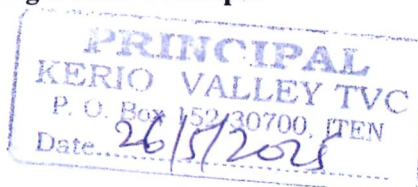
Nothing has come to the attention of the board members to indicate that the institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

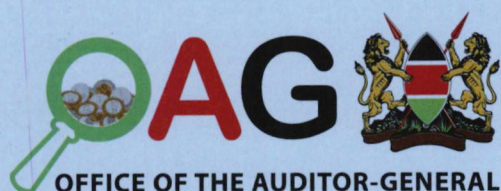
The institute's financial statements were approved by the Board on 25/06/2021 and signed on its behalf by:


Name **DR. PAUL C. SUTER**
Chairperson of the Board


Name **Christine Lobellashon**
Accounting Officer/Principal



REPUBLIC OF KENYA



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

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

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

- A. Report on 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.
- 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 Kerio Valley Technical and Vocational College set out on pages 1 to 57, which comprise of the statement of financial

position as at 30 June, 2021 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 Kerio Valley Technical and Vocational College as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Technical and Vocational Education and Training Act, 2013.

Basis for Qualified Opinion

1. Inconsistencies in the Annual Report and Financial Statements

The Management Discussion and Analysis at page xxxiii of the financial statements reflects surplus of Kshs.2,173,940 which differs with surplus reflected in statement of financial performance of Kshs.718,955 resulting to unexplained variance of Kshs.1,454,985.

In the circumstances, the presentation of information in the annual report and financial statements is not consistent.

2. Unsupported Board Expenses

The statement of financial performance reflects board expenses of Kshs.320,500 as disclosed in Note 17 to the financial statements. However, minutes of the Board meetings and attendance registers supporting the expenditure were not provided for review.

In the circumstances, the accuracy and validity of Board expenses of Kshs.320,500 could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.512,580 which is made up of bank balance of 494,095 and cash in hand of Kshs.18,485 as disclosed in Note 26 to the financial statements. However, it was noted that the reported bank balance of Kshs.495,095 was as per the certificate of bank balance as opposed to the cash book balance. The cash book balance was Kshs.496,145 resulting to an unexplained variance of Kshs.1,050. Further, the cash in hand of Kshs.18,485 was not supported by Board of survey report.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.512,580 could not be confirmed.

4. Unsupported Payments on Use of Goods and Services

The statement of financial performance reflects total expenses amount of Kshs.1,727,065 which includes use of goods and services amount Kshs.758,915 as disclosed in Note 15 to the financial statements. Review of sampled payment vouchers in respect to use of goods and services amounting to Kshs.325,036 revealed that the expenditures were not supported by S13 receipt vouchers and Inspection and Acceptance Certificates.

In the circumstances, the validity of the expenditure of Kshs.325,036 on goods and services could not be confirmed.

5. Unsupported Transfers from Other National Government Entities

The statement of financial performance reflects transfers from other National Government entities amount of Kshs.718,560 which relates to capitation grants from the Ministry of Education as disclosed in Note 6 to the financial statements. However, the transfer was not supported by budget, student data, requisitions by the college to the Ministry of Education, letters from the ministry indicating the specific amounts disbursed and the purpose of the funds, acknowledgement letters and accompanying receipts for each disbursement.

Further, the College received the capitation grant Kshs.718,560 through its mentor institution - Rift Valley Technical Training Institute. The amount was not supported with instructions from the Ministry indicating the portion to be sent to the Kerio Valley Technical and Vocational College. Inquiries from Management revealed that Rift Valley Technical Training Institute made some expenses on behalf of Kerio Valley Technical and Vocational College and only transferred balances which remained after incurring the expenditure. However, it was not clear under which authority or arrangements Rift Valley Technical Training Institute made expenditure on behalf of Kerio Valley Technical and Vocational College.

In the circumstances, the accuracy of transfers from other Government Entities of Kshs.718,560 could not be confirmed.

6. Unsupported Current Portion of Receivables from Exchange Transactions

The statement of financial position reflects receivable from exchange transactions balance of Kshs.333,475 as disclosed in Note 27(a) to the financial statements. This amount was initially reported as Kshs.1,724,360 before the amendments of financial statements. The journal entries supporting the amendments were not provided for review.

In the circumstances, the accuracy and completeness of current portion of receivables from exchange transactions balance of Kshs.333,475 could not be confirmed.

7. Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects Nil balance for property, plant and equipment as disclosed in Note 32 to the financial statements. However, the College stands on land which is 92 acres according to the background information in the financial statements and has buildings, furniture and equipment. These assets have not been recognized in the financial statements. Further, Management did not maintain an assets register. In addition, the statement of financial position reflects Note 31 as the Note supporting property plant and equipment, however, Note 31 to the financial statements reflects prepayments.

In the circumstances, the accuracy of property, plant and equipment Nil balance could not be confirmed.

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

Emphasis Of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.5,892,000 and Kshs.2,446,020 respectively resulting to an under-funding of Kshs.3,445,980 or 58% of the budget. Similarly, the College incurred an expenditure of Kshs.1,727,065 against actual receipts of Kshs.2,446,020 resulting to an under expenditure of Kshs.718,955 or 29% of the actual receipts.

The underfunding and under absorption affected the planned activities and may have impacted negatively on service delivery.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

In connection with my audit on the Institute's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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 ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for

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

Basis for Conclusion

1. Lack of Imprest Register

During the year under review, the College did not maintain an imprest register for ease of managing and controlling of imprests. Therefore, it was not possible to ascertain imprests issued and outstanding imprest during the year. This was contrary to Regulation 93(4)(c) of the Public Finance Management Regulations, 2015 (c) which provides that the applicant should be recorded in the imprest register including the amount applied for.

In the circumstances, the existence and effectiveness of internal controls over management of imprests could not be confirmed.

2. Lack of Internal Audit and a Functional Audit Committee

The audit team noted that the College had not established an Internal Audit function and a functional Audit Committee of the Board. This was contrary to Section 73(1) of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function and an Audit Committee of the Board. Therefore, the College did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

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

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

Responsibilities of the Management and Board of Governors

The 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 the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, the Management is responsible for assessing the College's ability to continue to sustain services, disclosing, as applicable, matters related

to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to close the College or cease operations.

The 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.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 June, 2025

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
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JUNE 2021**

14. Statement of Financial Performance for the year ended 30 June 2021

Description	Notes	2020-2021	2019-2020
		KShs	KShs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	718,560	
Grants from donors and development partners	7	-	
Transfers from other levels of government	8	-	
Public contributions and donations	9	-	
Total Revenue from Non-Exchange transactions		718,560	
Revenue from Exchange transactions			
Rendering of services- fees from students	10	1,727,460	
Sale of goods	11	-	
Rental revenue from facilities and equipment	12	-	
Finance income	13	-	
Other income	14	-	
Revenue from Exchange transactions		1,727,460-	
Total Revenue		2,446,020	
Expenses			
Use of goods and services	15	758,915	
Employee costs	16	647,650	
Board /Council Expenses	17	320,500	
Depreciation and amortization expense	18	-	
Repairs and maintenance	19	-	
Contracted services	20	-	
Grants and subsidies	21	-	
Finance costs	22	-	
Total Expenses		1,727,065	
Other Gains/(Losses)			
Gain on sale of assets	23	-	
Unrealized gain on fair value of investments	24	-	
Impairment loss	25	-	
Total Other Gains/(Losses)			
Net surplus for the year		718,955	
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	
Surplus attributable to owners of the controlling entity		-	

KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021

DR. PAUL C. SUTTER
.....
~~Chairman of Council Board~~

HARRISON K. KIPICAK
.....
Finance Officer

Date *26/5/25*

ICPAK No
Date *26/05/2025*

[Signature]
.....
Principal *Johnstone Lobillashe*

PRINCIPAL
KERIO VALLEY TVC
P. O. Box 152-30700, DEN
Date *26/5/2025*

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
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Description	Notes	2020-2021	2019-2020
		Kshs	Kshs
Reserves		718,955	
Accumulated Surplus		-	
Capital Fund		-	
Total Net Assets and Liabilities		718,955	

The Financial Statements set out on pages 1 to 8 were signed by:

DR. PAUL C. FITTER *HARRISON K. KIPILAK*
 Chairperson of Board Finance Officer
 Date *26/5/25* ICPAK No Date *26/05/2025*

[Signature]
 Principal *Johnstone Lobillaghen*
PRINCIPAL
KERIO VALLEY TVC
 P. O. Box 152-30700 ITEN
 Date *26/5/2025*

16. Statement of Changes in Net Asset for the year ended 30 June 2021

Description	Revaluation reserve	Accumulated fund	Capital/Development Grants/Fund	Total
At July 1, 2019	-	-	-	-
Revaluation gain	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-
Total comprehensive income	-	-	-	-
Capital/development grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2020	-	-	-	-
At July 1, 2020	-	-	-	-
Revaluation gain	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-
Total comprehensive income	-	718,955	-	718,955
Capital/development grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2021	-	718,955	-	718,955

**KERIO VALLEY TECHNICAL TRAINING AND VOCATIONAL COLLEGE
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JUNE 2021**

17. Statement of Cash Flows for the year ended 30 June 2021

Description	Note	2020-2021	2019-2020
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from national government		718,560	-
Transfers from government grants		-	-
Rendering of services- fees from students		1,521,085	-
Sale of goods		-	-
Rental revenue from facilities and equipment		-	-
Finance income		-	-
Other income		-	-
Total Receipts		2,239,645	-
Payments			
Compensation of employees		647,650	-
Use of goods and services		758,915	-
Board of governors expenses		320,500	-
Finance cost		-	-
Rent paid		-	-
Taxation paid		-	-
Other payments		-	-
Grants and subsidies paid		-	-
Total Payments		1,727,065	-
Net Cash Flows from operating activities	43	512,580	-
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets			
Proceeds from sale of property, plant and equipment			
Net cash flows used in investing activities			
Cash flows from financing activities			
Proceeds From Borrowing			
Repayment Of Borrowings			
Deposits receipts			
Net cash flows used in financing activities			
Net Increase/(Decrease) in Cash and Cash equivalents		512,580	-
Cash and Cash equivalents at 1 July 2020	26		
Cash and Cash equivalents at 30 June 2021	26	512,580	-

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

DR. PAUL C. SJTGER

Chairman of Board

Date

26/5/25

HARRISON K. KIPICAK

Finance Officer

ICPAK No

Date

26/05/2025

MUSA

Principal

Johnstone Lebillaghu

Date

PRINCIPAL
KERIO VALLEY TVC
P. O. Box 162/30700-ITEN
Date... *26/5/2025*

**KERIO VALLEY TECHNICAL TRAINING AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021**

18. Statement of Comparison of Budget & Actual amounts for the year ended 30 June 2021

	Original budget	Adjustments	Final budget	Actual on comparable basis	%Performance difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers from national government recurrent grants	3000000	-	3,000,000	718,560	24
Transfer from Govt for mentoring institutions	-	-	-	-	-
Transfers from national government development grants	-	-	-	-	-
Rendering of services- Fees from students	2892000	-	2,892,000	1,727,460	60
Total income	5892000	-	5,892,000	2,446,020	42
Expenses					-
Use of Goods and Services	1,152,000	-	1,152,000	647,650	56
Compensation of Employees	4,189,500	-	4,189,500	758,915	18
Remuneration of Directors	368,000		368,000	320500	87
Repairs and Maintenance	182,500	-	182,500	-	-
Property Plant and Equipment	-	-	-	-	-
General expenses	-	-	-	-	-
Provision for depreciation	-	-	-	-	-
Contracted services-	-	-	-	-	-
Total expenditure	5,560,800	-	5,560,800	1,727,065	29
Surplus for the period	-	-	-	718,955	

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

19. Notes to the Financial Statements

1. General Information

Kerio Valley Technical and Vocational College is established by and derives its authority and accountability from TVET Act 2013. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is Technical Training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the institute'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 36.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the institute.

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.

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2021.

IPSASB deferred the application date of standards from 1st January 2021 owing to covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful</p>

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
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Standard	Effective date and impact:
Benefits	<p>representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer</p>

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
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Standard	Effective date and impact:
	<p>defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>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.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p>

iii. Early adoption of standards

The institute did not early-adopt any new or amended standards in year 2021.

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
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4 Summary of Significant Accounting Policies (Continued)

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions (continued)

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 2020/2021 was approved by the Board on 10th December 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of *zero* on the FY FY 2020/2021 budget following the Board's approval.

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the 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 under section xxx of these financial statements.

c) Taxes

Current income tax

The institute is exempt from paying taxes as per schedule *six* of the *income tax* Act.

Sales tax/ Value Added Tax

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

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

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

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

Notes to the Financial Statements (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of ~~xxx~~ years.

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 of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Institute. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Institute 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 so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Institute will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. 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.

h) Research and development costs

The Institute expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Institute 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.

KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Institute determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Institute has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Institute assesses at each reporting date whether there is objective evidence that a financial asset or an institute of financial assets is impaired. A financial asset or an Institute of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the institute of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- The debtors or an institute of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Institute determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

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

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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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 the Institute.

k) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

The Institute does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Institute 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.

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

l) Nature and purpose of reserves

The Institute creates and maintains reserves in terms of specific requirements.

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

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

o) 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.

p) 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.

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
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Notes to the Financial Statements (Continued)

4 Summary of Significant Accounting Policies (Continued)

q) Related parties

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

r) Service concession arrangements

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

s) 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.

t) Comparative figures

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

u) 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, 2021.

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Institute
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
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JUNE 2021**

Notes to the Financial Statements (Continued)

6. Transfers from other National Government entities

Description	2020-2021	2019-2020
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	718,560	
Operational Grant	-	
Other Grants	-	
	718,560	
Conditional Grants		
Library Grant	-	
Hostels Grant	-	
Administration Block Grant	-	
Laboratory Grant	-	
Learning Facilities Grant	-	
Other Organizational Grants	-	
Total Government Grants and Subsidies	718,560	

(a) Transfers from other Government entities (Categorized)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Comprehensive Income Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2019-2020
			Kshs	Kshs	Kshs
Ministry of education	718,560	-	-	718,560	
	-	-	-	-	
Total	718,560	-	-	718,560	

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

Notes to the Financial Statements (Continued)

7. Grants from Donors and Development Partners

Description	2020-2021 Kshs	2019-2020 Kshs
JICA- Research Grant	-	-
World Bank Grants	-	-
In-Kind Donations	-	-
Other Grants	-	-
Total Grants from Development Partners	-	-

Reconciliations of grants from donors and development partners

Description	2020-2021 Kshs	2019-2020 Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions Yet To Be Met - Remain Liabilities	-	-

8. Transfers from Other Levels of Government

Description	2020-2021 Kshs	2019-2020 Kshs
Transfer from XX County	-	-
Transfer from XX University	-	-
Transfer from XX Institute	-	-
Total Transfers	-	-

9. Public Contributions and Donations

Description	2020-2021 Kshs	2019-2020 Kshs
Public Donations	-	-
Donations from Local Leadership	-	-
Donations from Religious Institutions	-	-
Donations from Alumni	-	-
Other Donations	-	-
Total Donations and Contributions	-	-

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
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Notes to the Financial Statements (Continued)

10. Rendering of Services

Description	2020-2021 Kshs	2019-2020 Kshs
Tuition Fees	798,588	
Personal emoluments	339,885	
Electricity, water and conservancy	96,201	
Local travel and transport	88,074	
Repairs, maintenance and improvement	53,865	
Activity Fees	98,847	
Medical	63,000	
Industrial Attachment Fees	126,000	
Registration Fees	31,500	
Others	-	
Total Revenue from The Rendering Of Services	1,727,460	

11. Sale of Goods

Description	2020-2021 Kshs	2019-2020 Kshs
Sale of Books	-	-
Sale of Publications	-	-
Sale of Farm Produce	-	-
Cafeteria sales	-	-
Other	-	-
Total Revenue from Sale of Goods	-	-

12. Rental revenue from facilities and equipment

Description	2020-2021 Kshs	2019-2020 Kshs
Hire of Facilities and Equipment		
Contingent Rental	-	-
Operating Lease Revenue		
Total	-	-

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
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Notes to the Financial Statements (Continued)

13. Finance Income

Description	2020-2021 Kshs	2019-2020 Kshs
Cash investments and fixed deposits	-	-
Interest income from treasury bills	-	-
Interest income from treasury bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

14. Other Income

Description	2020-2021 Kshs	2019-2020 Kshs
Insurance recoveries	-	-
Consultancy fees	-	-
Income from sale of tender	-	-
Services concession income	-	-
Reimbursements and refunds	-	-
Graduation fees	-	-
Miscellaneous (<i>specify</i>)	-	-
Total other income	-	-

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Notes To The Financial Statements (Continued)

15. Use Of Goods And Services

Destination	2020-2021	2019-2020
	KSh	KSh
Teaching and learning materials	43,034	
Industrial attachment costs	-	
Electricity, water and conservancy	40,900	
Administration	316,280	
Security	-	
Professional and consultancy services	-	
Subscriptions	-	
Advertising	-	
Examination fees	-	
Audit fees	-	
Catering, conferences, and delegations	-	
Travelling and accommodation	105,936	
Student identity card	-	
Repairs, maintenance and improvement	250,715	
Fuel and oil	-	
Insurance	-	
Legal expenses	-	
Licenses and permits	-	
Postage	-	
Printing and stationery	-	
Hire charges	-	
Rent expenses	-	
Skills development levies	-	
Telephone expenses	-	
Internet expenses	-	
Training expenses	-	
Bank charges	2,050	
Other (<i>specify</i>)	-	
Total good and services	758,915	

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Notes to the Financial Statements (Continued)

16. Employee Costs

Description	2020-2021 Kshs	2019-2020 Kshs
Salaries and wages	647,560	
Employee related costs - contributions to pensions and medical aids	-	
Travel, motor car, accommodation, subsistence and other allowances	-	
Housing benefits and allowances	-	
Overtime payments	-	
Performance and other bonuses	-	
Social contributions	-	
Employee Costs	647,650	

17. Board Expenses

Description	2020-2021 Kshs	2019-2020 Kshs
Board Expenses	320,500	
Directors Emoluments	-	
Other Allowances	-	
	-	
Total	320,500	

18. Depreciation and Amortization expense

Description	2020-2021 Kshs	2019-2020 Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

19. Repairs and Maintenance

Description	2020-2021 Kshs	2019-2020 Kshs
Property	-	-
Investment property – earning rentals	-	-
Equipment and machinery	-	-
Vehicles	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Total Repairs and Maintenance	-	-

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Notes to the Financial Statements (Continued)

20. Contracted Services

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

21. Grants and Subsidies

Description	2020-2021 Kshs	2019-2020 Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Community Trust	-	-
Sporting Bodies	-	-
Total Grants and Subsidies	-	-

22. Finance Costs

Description	2020-2021 Kshs	2019-2020 Kshs
Borrowings (Amortized Cost)*	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	-	-

23. Gain On Sale of Assets

Description	2020-2021 Kshs	2019-2020 Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Other Assets not capitalised	-	-
Total Gain On Sale of Assets	-	-

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Notes to the Financial Statements (Continued)

24. Unrealized Gain on Fair Value Investments

Description	2020-2021 Kshs	2019-2020 Kshs
Investments at Fair Value	-	-
Total Gain	-	-

25. Impairment Loss

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

26. Cash and Cash Equivalent

Description	2020-2021 Kshs	2019-2020 Kshs
Current Account	494,095	
On - Call Deposits	-	
Fixed Deposits Account	-	
Staff Car Loan/ Mortgage	-	
Cash in hand	18,485	
Total Cash and Cash Equivalent	512,580	

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Notes To The Financial Statements (Continued)

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

Financial Institution	Account number	2020-2021	2019-2020
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1280140976	494,095	
Equity Bank, etc.		-	
Sub- Total		-	
b) On - Call Deposits			
Kenya Commercial Bank		-	
Equity Bank – etc.		-	
Sub- Total		-	
c) Fixed Deposits Account			
Kenya Commercial Bank		-	
Bank B		-	
Sub- Total		-	
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		-	
Bank B		-	
Sub- Total		-	
e) Others(Specify)			
Cash in Transit		-	
Cash in Hand		18,485	
Mobile Money account		-	
Sub- Total		-	
Grand Total		512,580	

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Notes to the Financial Statements (Continued)

27. Receivables from Exchange transactions

27(a) Current Receivables from Exchange transactions

Description	2020-2021	2019-2020
	Kshs	Kshs
Current Receivables		
Student Debtors	333,475	-
Rent Debtors	-	-
Consultancy Debtors	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	333,475	-

27(b) Long-term Receivables from Exchange transactions

Description	2020-2021	2019-2020
	Kshs	Kshs
Non-Current Receivables		
Refundable Deposits	-	-
Advance Payments	-	-
Public Organizations	-	-
Less: Impairment Allowance	-	-
Total	-	-
Current Portion Transferred To Current Receivables	-	-
Total Non-Current Receivables	-	-
Total Receivables	-	-

27 (c) Aging analysis of receivables from exchange transactions

Description	2020-2021		2019-2020	
	Kshs	% of total	Kshs	% of total
	Current FY	% of total	Comparative FY	% of total
Less than 1 year	333,475	100	-	-
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	333,475	100	-	-

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Notes to the Financial Statements (Continued)

28. (a) Aging analysis on Receivables from Non-Exchange transactions

Description	2020-2021		2019-2020	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

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

Description	2020-2021		2019-2020	
	Kshs		Kshs	
At the beginning of the year	-		-	
Additional provisions during the year	-		-	
Recovered during the year	-		-	
Written off during the year	-		-	
At the end of the year	-		-	

29. Inventories

Description	2020-2021		2019-2020	
	Kshs		Kshs	
Consumable stores	-		-	
Maintenance stores	-		-	
Health Unit stores	-		-	
Electrical stores	-		-	
Cleaning Materials stores	-		-	
Catering stores	-		-	
Total Inventories at lower of Cost and Net Realizable Value	-		-	

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Notes to the Financial Statements (Continued)

30. Investments

Description	2020-2021	2019-2020
	Kshs	Kshs
a) Investment in Treasury Bills and Bonds		
Financial Institution		
CBK	-	-
CBK	-	-
Sub- Total	-	-
b) Investment with Financial Institutions/ Banks		
Bank X	-	-
Bank Y	-	-
Sub- Total	-	-
c) Equity Investments (Specify)		
Equity/ Shares in Company Xxx	-	-
Sub- Total	-	-
Grand Total	-	-

d) Shareholding in other entities

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

Name of Entity where Investment is Held	No of Shares			Nominal Value of Shares	Fair Value of Shares	
	Direct Shareholding	Indirect Shareholding	Effective Shareholding		Current Year	Prior Year
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
	-	-	-	-	-	-

31 Prepayments

Description	2020-2021		2019-2020	
	Kshs	% of the	Kshs	% of the
Fees received in advance	-		-	
Others (Specify)	-		-	
Total	-		-	
Ageing analysis:	Current FY	% of the	Comparative FY	% of the

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		Total		Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

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Notes to the Financial Statements (Continued)

32. Property, Plant and Equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets (Specify)	Plant and equipment	Capital Work in progress	Total
Cost	Kshs	Kshs						
At 1 July 2019	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2020	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2021	-	-	-	-	-	-	-	-
Depreciation And Impairment								
At 1 July 2019	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 June 2020	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
At 30th June 2021	-	-	-	-	-	-	-	-
Net Book Values								
At 30th June 2020	-	-	-	-	-	-	-	-
At 30th June 2021	-	-	-	-	-	-	-	-

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Notes to the Financial Statements (Continued)

Valuation

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

32 (b) Property, Plant and Equipment at Cost

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

Description	Cost Kshs	Accumulated Depreciation Kshs	NBV Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles including Motorcycles	-	-	-
Computers and Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
Total	-	-	-

33. Intangible Assets

Description	2020-2021 Kshs	2019-2020 Kshs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Additions—internal development	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
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Notes to the Financial Statements (Continued)

34. Investment Property

Description	2020-2021	2019-2020
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
At end of the year	-	-

35. Biological assets

	2020-2021	2019-2020
	Kshs	Kshs
Cattle	-	-
Trees	-	-
Others (Specify)	-	-
Total	-	-

36. Trade and Other Payables from Exchange transactions

Description	2020-2021	2019-2020
	Kshs	Kshs
Trade payables	-	-
Fees paid in advance	-	-
Salary deductions	-	-
Third-Party Payments	-	-
Other Payables	-	-
Total Trade and Other Payables	-	-

37. Refundable Deposits from Customers/Students

Description	2020-2021	2019-2020
	Kshs	Kshs
Consumer deposits	-	-
Caution money	63,000	-
Other refundable deposits	-	-
Total Deposits	63,000	-

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Notes to the Financial Statements (Continued)

38. Current Provisions

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

39. Finance Lease Obligation

Description	2020-2021 Kshs	2019-2020 Kshs
At the start of the year	-	-
Discount interest on Lease Liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

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

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Notes to the Financial Statements (Continued)

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

40. Deferred Income

Description	2020-2021	2019-2020
	Kshs	Kshs
National Government	-	-
International Funding Bodies	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

The deferred income movement is as follows:

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

Analysed as:

Description	Amount
	Kshs
Current	-
Non- Current	-
Total	-

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Notes to the Financial Statements (Continued)

41. Payments received in advance.

Description	2020-2021		2019-2020	
	Kshs		Kshs	
Fees received in advance	64,100		-	
Others (Specify)	-		-	
Total	64,100		-	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	64,100	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	64,100	100%	-	%

42. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2020-2021		2019-2020	
				Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	-	-	-	-

Retirement benefit Asset/ Liability

The entity operates a defined benefit scheme for all full-time employees from July 1, 20xx. The scheme is administered by xxx while xxx are the custodians of the scheme. The scheme is based on xxx percentage of salary of an employee at the time of retirement.

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

#

**KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE
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Description	2020-2021 Kshs	2019-2020 Kshs
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (Post- Retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

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Notes to the Financial Statements (Continued)

Recognition of Retirement Benefit Asset/ Liability

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

Description	2020-2021 Kshs	2019-2020 Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (<i>specify</i>)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

b) Amounts recognised in the Statement of Financial Position

Description	2020-2021 Kshs	2019-2020 Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net asset or liability arising from defined benefit obligation	-	-

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. XXX per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by XXX Pension Fund. Employees contribute xx% while employers contribute xx% 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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Notes To The Financial Statements (Continued)

43. Borrowings

Description	2020-2021	2019-2020
	Kshs	Kshs
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the year	-	-

43 a) Analysis of External and Domestic Borrowings

Description	2020-2021	2019-2020
	Kshs	Kshs
External borrowings	-	-
Dollar denominated loan from 'xx organization'	-	-
Sterling pound denominated loan from 'yyy organization'	-	-
Euro denominated loan from zzz organization'	-	-
Domestic borrowings	-	-
Kenya shilling loan	-	-
Total balance at end of the year	-	-

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Notes to the Financial Statements (Continued)

43 b) Breakdown of Long and Short-Term Borrowings

Description	2020-2021 Kshs	2019-2020 Kshs
Short Term Borrowings(Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

44. Service Concession Arrangements

Description	2020-2021 Kshs	2019-2020 Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

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Notes to the Financial Statements (Continued)

45. Cash generated from operations

	2020-2021	2019-2020
	Kshs	Kshs
Surplus for the year before tax	718,955	-
Adjusted for:		-
Depreciation	-	-
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
Working Capital Adjustments	-	-
Increase in Inventory	-	-
Increase in Receivables	(333,475)	-
Increase in Deferred Income	-	-
Increase in Payables	-	-
Increase in Payments received in advance	127,100	-
Net Cash Flow from Operating Activities	512,580	-

46. Financial Risk Management

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

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in

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the statement of financial position are net of allowances for doubtful receivables, estimated by

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Notes to the Financial Statements (Continued)

the company's management based on prior experience and their assessment of the current economic environment.

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2020				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	494,095	-	-	-
Total	494,095	-	-	-

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

44. Financial Risk Management (Continued)

(i) Credit risk (continued)

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

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

(ii) Liquidity risk management

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

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Notes to the Financial Statements (Continued)

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2021	-	-	-	-
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred Income	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

44. Financial Risk Management (Continued)

(iii) Market risk

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

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

The Institute'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.

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

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Notes to the Financial Statements (Continued)

a) Foreign currency risk

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

Description	In Kshs Kshs	Other currencies Kshs	Total Kshs
At 30 June 2021			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-	-	-
Trade and Other Payables	-	-	-
Borrowings	-	-	-
	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

44. Financial Risk Management (Continued)

(iii) Market risk (Continued)

a) Foreign currency risk (Continued)

Description	In Kshs Kshs	Other currencies Kshs	Total Kshs
At 30th June 2021			
Financial Assets (Investments, Cash, Debtors)	-	-	-
Liabilities	-	-	-
Trade and Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

a) Foreign currency sensitivity analysis

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

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	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	-	-	-
Usd	-	-	-
20xx	-	-	-
Euro	-	-	-
Usd	-	-	-

b) Interest rate risk

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

Management of interest rate risk

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

44 Financial Risk Management (Continued)

(iii) **Market risk (Continued)**

b) Interest rate risk(continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (2021: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (2021 – Kshs xxx)

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Notes To The Financial Statements (Continued)

iv) Capital Risk Management

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-	-
Capital Reserve	-	-
	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	-	-

47. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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

Description	2020-2021	2019-2020
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties	-	-
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-
B) Purchases from related parties		
Purchases of electricity from kplc	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others (<i>specify</i>)	-	-
Total	-	-
b) Grants /Transfers from the Government		
Grants from National Govt	-	-
Grants from County Government	-	-
Donations in Kind	-	-
Total	-	-
c) Expenses incurred on behalf of related parties		
Payments of Salaries and Wages for 12/20 Employees	-	-
Payments for Goods and Services for learning	-	-
Total	-	-
d) Key Management Compensation		
Directors' emoluments	-	-
Compensation to Key Management	-	-
Total	-	-

48. Segment Information

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Notes to the Financial Statements (Continued)

49. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2020-2021	2019-2020
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets arising from determination of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

Contingent Liabilities

Description	2020-2021	2019-2020
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case Xxx against (<i>The Entity</i>)	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from Contracts including PPPs	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

50. Capital Commitments

Capital Commitments	2020-2021	2019-2020
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

51. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

Description	2020-2021	2019-2020
	Kshs	Kshs
Accelerated Capital Allowances	-	-
Unrealised Exchange Gains/(Losses)	-	-
Revaluation Surplus	-	-
Tax Losses carried forward	-	-
Provisions for Liabilities and Charges	-	-
	-	-
Net Deferred Tax Liability/(Asset)	-	-
	-	-
The movement on the deferred tax account is as follows:	-	-
	-	-
Balance at beginning of the year	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
	-	-
Balance at end of the year	-	-

52. Events After The Reporting Period

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

53. Ultimate And Holding Entity

The Institute is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

54. Currency

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

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20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

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

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

[Handwritten Signature]

Johnstone lobillaghan Chelanga
Principal

Date



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Appendix II: Projects Implemented by the institute

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	N/A					
2						

Status of Projects completion

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

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APPENDIX III: INTER-INSTITUTE TRANSFERS

INSTITUTE NAME		KERIO VALLEY TECHNICAL AND VOCATIONAL COLLEGE		
Breakdown of Transfers from the State Department of Vocational Technical Training Institutions				
FY 2021/2021				
a Recurrent Grants				
	<u>Bank Statement</u>	<u>Amount</u>	<u>Indicate the FY to which the amount relate</u>	
	<u>Date</u>			
	12/01/2021	62,060	2020/2021	
	14/01/2021	300,000	2020/2021	
	17/03/2021	356,500	2020/2021	
	Total	718,560		

The above amounts have been communicated to and reconciled with the parent Ministry

Principal
Kerio Valley TVC

Head of Accounting Unit
Ministry of Education

Sign *[Signature]*

Sign.....

PRINCIPAL
KERIO VALLEY TVC
P. O. Box 152/80700 NEN
Date: *26/5/2021*

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Appendix IV: Reporting of Climate Relevant Expenditures

Name of the Organization - Kerio valley technical and vocational college

Telephone Number

Email Address

Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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Appendix V: Disaster Expenditure Reporting Template

Date: _____
Kerio valley technical and vocational college

Period to which this report refers (FY2021-2021)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
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

