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**THE AUDITOR-GENERAL**

**ON**

**KENYA SCHOOL OF TVET**

**FOR THE YEAR ENDED  
30 JUNE, 2025**



OFFICE OF THE AUDITOR GENERAL  
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**Kenya School of TVET**

*The Home of Technical Education*

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**KENYA SCHOOL OF TVET**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2025**

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



*The Home of Technical Education*

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**Annual Report and Financial Statements For the year ended 30 June, 2025**

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## Annual Report and Financial Statements For the year ended 30 June, 2025

### 1. Acronyms Abbreviations & Glossary of Terms

#### A. Acronyms & Abbreviations

BOG	Board of Governors
CBET	Competency Based Education and Training
CEO	Chief Executive Officer
CDACC	Curriculum Development, Assessment and Certification Council
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
KATTI	Kenya Association of Technical Training Institutions
KETREB	Kenya Engineering Technology Registration Board
KSTVET	Kenya School of TVET
KNQA	Kenya National Qualifications Authority
NT	National Treasury
PFM	Public Finance Management
PPADA	Public Procurement and Asset Disposal Act
PSASB	Public Sector Accounting Standards Board
SAGA	Semi-Autonomous Government Agency
SCAC	State Corporation Advisory Committee
TVETA	Technical and Vocational Education and Training Authority
TTI	Technical Training Institute
KTTC	Kenya Technical Trainers College
TVC	Technical Vocational College

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### B. Glossary of Terms

**Fiduciary Management** – Members of Management directly entrusted with the responsibility of financial resources of KSTVET

**Comparative Year** – Means the prior period

### 2. Key Entity Information and Management

#### a) Background information

Kenya School of TVET (KSTVET), (formerly Kenya Technical Trainers College (KTTC)) has a rich history dating back to its establishment in 1978. Originally founded as a teacher training institution, KSTVET has evolved into a leading center for technical and vocational education in Kenya. Its inception was a response to the growing demand for skilled technical instructors and educators who could effectively train the country's workforce.

Over the years, KSTVET has undergone significant growth and transformation, changing to Kenya Technical Trainers College in 2014 and finally to KSTVET in 2022 through Legal Order Number 123 of 2022, Executive Order 1 of 2022 and Executive Order 1 of 2023 making it a state corporation. It has expanded its curriculum to offer a wide range of technical and vocational programs, catering to the diverse needs of Kenya's evolving job market. The college's commitment to excellence in technical education has earned it a strong reputation both nationally and regionally.

#### b) Principal Activities

The principal activity/mission of the School remains to be, to Train Technical Trainers and to capacity build TVET practitioners.

#### c) Key Management

The school's day-to-day management is under the following key officers:

NO	DESIGNATION	NAME
1	Chief Executive Officer	Dr. Edwin Tarno
2	Deputy Principal Planning, Administration & Finance	Thomas Kitonyi

## Annual Report and Financial Statements For the year ended 30 June, 2025

3	Deputy Principal Academic Affairs	Joyce Baraza
4	Registrar	Julia Muriithi
5	Deans of Students	Albert Chesiro
6	Chief Finance Officer	Elizabeth Wangaruro

### d) Fiduciary Management

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

<u>No.</u>	<u>Designation</u>	<u>Name</u>
1.	Chairman of the Council	Nicholas Marete
2.	Chief Executive Officer	Dr. Edwin Tarno PhD HSC
3.	Deputy Principal Planning, Administration & Finance	Thomas Mweu Kitonyi
4.	Chief Finance Officer	CPA Elizabeth Wangaruro
5.	Supply Chain Manager	CPSP-K Hosea Langat
6.	Internal Auditor	CPA Paul Njuguna

### e) Fiduciary Oversight Arrangements

The following committees have been formed in line with the Legal Order that established KSTVET as it is today.

- Finance & General Purposes Committee
- Audit Committee
- Education and Training Committee
- Senior Management

The Committees exercise all the powers of Council in Financial, Academic and other matters except in relation to the items which are reserved to Council in the Legal Order, on which the Committees advise the Council.

### f) KSTVET Headquarters

P.O. Box 44600-00100  
 United Nations Avenue  
 Limuru Road  
 Nairobi, KENYA

**Annual Report and Financial Statements For the year ended 30 June, 2025**

**g) KSTVET Contacts**

Telephone:0707444222/0786444600

E-mail : [info@kstvet.ac.ke](mailto:info@kstvet.ac.ke)

Website : [www.kstvet.ac.ke](http://www.kstvet.ac.ke)

**h) KSTVET Bankers**

NO.	BANK	BRANCH	LOCATION
1.	Kenya Commercial Bank Limited	Village Market	Nairobi
2.	Absa Bank Kenya PLC	Muthaiga	Nairobi
3.	Equity Bank Limited	Gigiri Supreme,	Nairobi
4.	Cooperative Bank of Kenya Limited	Gigiri Square UN Avenue	Nairobi

**i) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**j) Principal Legal Advisor**

The Attorney General

State Law Office

Harambee Avenue





P.O. Box 40112

City Square 00200





Nairobi, Kenya

## Annual Report and Financial Statements For the year ended 30 June, 2025

### 3. The Council

Name	Title	Photograph	Details	
1. Nicholas Marete	Chairman		Date of Birth	15.07.1973
			Qualifications	BBIT
			Experience	Education & IT
			Membership to Committee	Full Council Chair
2. Dr. Glory Mutungi	Member		Date of Birth	03.01.1975
			Qualifications	PhD- Education
			Experience	Education
			Membership to Committee	Member -Audit Committee (July-Dec 2024) Member- Education Committee Member-FGPC
3. Alice J. Mutai	Member		Date of Birth	06.10.1960
			Qualifications	MSC
			Experience	Engineering Material
			Membership to Committee	Chair-Audit Committee (July-Dec 2024) Member-FGPC
4. Edwin Kipchumba Korir	Member		Date of Birth	16.07.1986
			Qualifications	Diploma
			Membership to Committee	Chair-Education Committee Audit Committee (Jan-June 2025)
			Experience	ICT and Accounts

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5.	Wilfred Ochengo Auma	Member		Date of Birth	30.12.1969
				Qualification	Degree in Finance
				Experience	Finance
				Membership to Committees	Member-Education & Training Committee Chair-Audit Committee (Jan-June 2025)
6.	Dr. Elicanah Mosiori	Member		Date of Birth	01.12.1969
				Qualifications	Phd-HR Master of Education
				Experience	Education & Human Resource
				Membership to Committees	Member- Finance & General-Purpose Committee Member-Education & Training Committee Member-Audit Committee (Jan-June 2025)
7.	Argwings Owiti	Member		Date of Birth	15.07.1973
				Qualifications	M.A
				Experience	Finance
				Membership to Committees	Member- Finance & General-Purpose Committee Member-Audit Committee
8.	John Sengeny	Member		Date of Birth	13.10.977
				Qualifications	Bachelors
				Experience	Education
				Membership to Committees	Member-Audit Committee (Jan-March 2025) Chair-FGPC

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9.	Dr. Edwin Tarno	Chief Executiv e Officer		Date of Birth	06.10.1964
				Qualifications	PhD- Entre.
				Experience	Overall, in Charge of College Affairs
				Membership to Committees	Member to all Committees except Audit Committee

## Annual Report and Financial Statements For the year ended 30 June, 2025

### 4. Management Team

Manager	Title	Photograph	Qualifications & Responsibility	
			Qualifications	Responsibility
1. Dr. Edwin Tarno PhD, HSC	Chief Executive Officer		Qualifications	PhD- Entre.
			Responsibility	Overall in Charge of School Affairs
2. Thomas Mweu Kitonyi	Deputy Principal Planning, Administration & Finance		Qualifications	BSC- Mech.Eng. MSC-Energy Mgt.
			Responsibility	Planning, Administration & Finance
3. Joyce Baraza	Deputy Principal Academic Affairs		Qualifications	Master of Education – Home Economics
			Responsibility	Academic Affairs
4. Julia W.R. Muriithi	Registrar		Qualification	Master of Education
			Responsibility	College Registrar
6. Albert Kipnusu Chesiro	Dean of Students from April 2022		Qualifications	Master of Philosophy in Educational Administration
			Responsibility	Dean of Students

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7.CPA Elizabeth Wangaruro	Chief Finance Officer		Qualifications	MBA, B-Com, CPA (K).
			Responsibility	Financial Management
8. CPA Paul Njuguna	Head of Internal Audit		Qualifications	B-Com., CPA (K).
			Responsibility	Internal Audit Affairs

## **Annual Report and Financial Statements For the year ended 30 June, 2025**

### **5. Chairman’s Statement**

It has been my pleasure to serve as the Chairman of the Council of KSTVET for the last one year. This Institution has been offering training skills to trainers of technical institutions since 1978 when it was established. The role of the Governing Council is to ensure that the college is well managed in order to deliver efficient services. I wish to recognize the input and commitment displayed by members of the Governing Council in the oversight of the general running of the college. The diligence exhibited by the training and non- training staff is commendable for this is the force behind the continuous fulfilment of the core mandate of the institution. The serene environment away from the noisy city is conducive for learning.

KSTVET is currently experiencing improvement in the enrolment of students; a sign that the attitude towards technical education has made a complete turnaround. To promote TVET, KSTVET has initiated a scholarship fund to finance 20 trainees every year, undertaking diplomas in technical trainer education. The beneficiaries of the scholarships are graduates from TVET institutions, with consideration of the following factors: merit, gender, regional balance and people living with disabilities. The Government through the Ministry of Education is committed to the promotion of technical education. The modern workshop equipment donated by the government has made transfer of skills to the learner more efficient. Government support initiatives are key to economic and social growth in realizing Vision 2030 and the Bottom-Up Economic Transformation Agenda (BeTA).

We are aware that if skills’ training is linked to employment, the informal sector will be able to provide a wide range of job opportunities in the country. The institution is prepared to put in place well managed staff development strategies for purposes of implementation of competency-based education and training programmes. I am grateful for the exposure our staff and students have received in competency-based education and training, through collaborations with other organisations with similar interests. We are confident that the Government will provide adequate funding for these programs and also recruit more trainers to carry out the training.

**Annual Report and Financial Statements For the year ended 30 June, 2025**

On behalf of the Council, I extend my sincere thanks to the Government, the community, partners, parents, students and the entire staff of KSTVET for their unyielding support. I want to especially thank the Chief Executive Officer for leading the school through a number of challenges. Together, I am sure the KSTVET community can forge ahead with confidence and faith and rise to the expectations of Kenyans.

Nicholas K. Marete

**COUNCIL CHAIRMAN**

**SIGNATURE**



**DATE:** 31/10/2025

## Annual Report and Financial Statements For the year ended 30 June, 2025

### 6. Report of the Chief Executive Officer

Kenya School of TVET is mandated to provide relevant knowledge and skills to technical trainers as well to provide them with in service training. The Council, trainers and support staff have shown remarkable dedication and provided selfless service to the trainees over the years, to ensure KSTVET accomplishes its mandate.

I would like to recognize the contribution of the parent Ministry and particularly our State Department of TVET. Through the TVET reforms that have led to the positive change of attitude towards technical education, evident fruits have been borne. This gives fresh hope to the country's achievement of the Bottom-up Economic Transformation Agenda and Vision 2030.

As KSTVET joins in the race towards embracing the ongoing reforms in the TVET sector, our focus is on the implementation of Competency Based Education and Training (CBET) programmes. The KSTVET community has effectively adopted the CBET mode of learning in response to the demands of the labour market. The institution has finalised review of curriculum for trainer education in readiness to implement from September 2024. The institution shall also take the challenge from the Department TVET, that it takes the lead in the provision of in- service and short courses to re-skill or up-skill the trainers, for the purpose of successful implementation of CBET programmes and improving governance in TVET institutions. We appreciate the Government's plan of attaching trainers to the industry without disrupting the learning programs in the colleges. This will equip the trainers with the latest and most relevant skills and competencies required by the trainee and the industry.

As Principal, it has been a great pleasure and honour to guide and work with KSTVET staff and students over the period covered by this report. Despite the undoubted challenges ahead, I am confident that we are on the right track.

Dr. Edwin Tarno, PhD, HSC  
**CHIEF EXECUTIVE OFFICER**

**SIGNATURE:**



**DATE:**

31/10/2025

## Annual Report and Financial Statements For the year ended 30 June, 2025

### 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.

KSTVET had five strategic pillars that is Training & Research, Institutional Capacity Development, Resource Mobilization, Corporate Governance and Corporate Brand Identity within the current Strategic Plan for the FY 2024- FY 2025. The connection between these strategic pillars and objectives are as outlined below:

Strategic Pillar/Theme /Issues	Objective	Key Performance Indicators	Activities	Achievements
<b>Training &amp; Research</b>	Improve quality of Teaching	Number of staff trained	Conduct training needs assessment	Target of Training Achieved
	Enhance academic staff retention	No. of exiting trainers replaced Knowledge management report	Identify intervention programs Implement intervention programs Hire qualified staff Carry out knowledge management audit	Replacement Achieved Online Teaching introduced CBET Training Flexible & Blended Learning Specialized Training Programs by the Government.
<b>Institutional Capacity Development</b>	Improve ICT infrastructure	Review infrastructural needs	Improve ICT infrastructure	Improvement of ICT infrastructure ongoing
	Improve student and staff welfare	Renovate the existing hostels	Introduce e-learning Determine user requirements	Online Teaching is achieved in all departments
	Improve Security	Install Solar Systems Construction	Procure ICT equipment Train users	Hostels painted Floor Improved

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		of a perimeter wall		The old student centre has been renovated and improved Fencing has been done by use of Chain link.
<b>Resource Mobilization</b>	Introduce new revenue streams	Number of new courses	<p>Increase the number of market driven programs</p> <p>Collaborate with Counties</p> <p>Enhance KSTVET brand</p> <p>Expand on e-Learning resource</p>	<p>Teacher Education in the following new areas:</p> <ul style="list-style-type: none"> <li>• Agriculture</li> <li>• Liberal Studies</li> <li>• Beauty &amp; Hair Therapy</li> <li>• Applied Sciences               <ul style="list-style-type: none"> <li>✓ Medical Lab</li> <li>✓ Medical Engineering</li> <li>✓ Applied Biology</li> <li>✓ Analytical Chemistry</li> <li>✓ Food Science &amp; Technology</li> <li>✓ Petroleum and Geo Science</li> <li>✓ Pharmaceutical Technologist</li> <li>✓ Chemical Engineering</li> </ul> </li> </ul>
<b>Corporate Governance</b>	<p>Improve leadership and Governance</p> <p>Improve service delivery process</p>	<p>% of sensitized students</p> <p>% of students' leader trained</p>	<p>Sensitize students on the role of student governance</p> <p>Train and motivate student representatives on governance</p>	<p>Sensitization done</p> <p>Training and motivation done</p>

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<b>Corporate Brand Identity</b>	Improve Service delivery process	Awareness level Logos, colors, website Media Campaigns Google ads Exhibitions	Awareness index Optimal branding tools Number of campaigns	No survey has been done in this cycle. Communication through the media and other forums has been effectively done.
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KSTVET developed its activities based on the above pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. KSTVET achieved its performance targets set for the FY 2024/25 period.

## Annual Report and Financial Statements For the year ended 30 June, 2025

### 8. Corporate Governance Statement

Kenya School of TVET (KSTVET) is committed to demonstrating best practice in corporate governance. The Council has adopted a statement of primary responsibilities, which is published on the college policy documents and as stipulated in the KSTVET legal order No.123.

The Council meets regularly and has a number of committees including: the Audit Committee; a Finance and General-purpose Committee and Education & Training committee. All of these Committees are formally constituted with terms of reference. Each Committee is chaired by an independent member. All committees review and reflect on their work and provide reports to the full Council. During the year under review, the attendance to Council meetings was as outlined below:

#### Finance and General-Purpose Committee

	<b>COMMITTEE MEMBERS</b>	<b>NATURE OF MEETING</b>	<b>NO. OF SCHEDULED MEETINGS</b>	<b>OF MEETINGS ATTENDED</b>	<b>ATTENDANCE IN PERCENTAGE</b>
1	Wilfred O. Auma	Finance	4	4	100%
2	Argwings Owiti	Finance	4	4	100%
3	Edwin K. Korir	Finance	4	4	100%
4	Elicanah Mosiori	Finance	4	4	100%
5	Dr. Edwin Tarno	Finance	4	4	100%

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### Audit Committee

	<b>COMMITTEE MEMBERS</b>	<b>NATURE OF MEETING</b>	<b>NO. OF SCHEDULED MEETINGS</b>	<b>OF MEETINGS ATTENDED</b>	<b>ATTENDANCE IN PERCENTAGE</b>
1	Alice J. Mutai	Audit	5	5	100%
2	Dr. Glory Mutungi	Audit	5	5	100%
3	Argwings Owiti	Audit	5	5	100%
4	John Sengeny	Audit	5	3	60%
5	Paul Njuguna	Audit	5	5	100%

### Education and Training Committee

	<b>COMMITTEE MEMBERS</b>	<b>NATURE OF MEETING</b>	<b>NUMBER OF SCHEDULED MEETINGS</b>	<b>MEETINGS ATTENDED</b>	<b>ATTENDANCE IN PERCENTAGE</b>
1	Dr. Glory Mutungi	Education	4	4	100%
2	Wilfred O.Auma	Education	4	4	100%
3	Edwin K. Korir	Education	4	4	100%
4	Elicanah Mosiori	Education	4	3	75%
5	Dr. Edwin Tarno	Education	4	4	100%

### Full Council

	<b>COMMITTEE MEMBERS</b>	<b>NATURE OF MEETING</b>	<b>NUMBER OF SCHEDULED MEETINGS</b>	<b>MEETINGS ATTENDED</b>	<b>ATTENDANCE IN PERCENTAGE</b>
1	Nicholas K. Marete	Full Council	4	4	100%

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2	Wilfred O. Auma	Full Council	4	4	100%
3	Argwings Owiti	Full Council	4	4	100%
4	Edwin K. Korir	Full Council	4	4	100%
5	Elicanah Mosiori	Full Council	4	4	100%
6	Dr. Glory Mutungi	Full Council	4	4	100%
7	Alice J. Mutai	Full Council	4	3	75%
8	John Sengeny	Full Council	4	3	75%
9	Dr. Edwin Tarno	Full Council	4	4	100%

The Council is appointed in line with the KSTVET legal notice 123 of 2022. The structure is in such a way that there are representative from the PS-TVET, PS National Treasury, KETRB and KATTI. There are also two independent members. These members are spread demographically as we have members from various counties including; 2 from Meru, 1 from Kisumu, 2 from Kisii, 1 from Narok, 1 from Uasin Gishu from and 1 from Bomet. During the year the Council developed a draft Board Charter which will be approved in the F/Y 2025-2026. During the year, the Council maintained a conflict of interest register as a way of monitoring ethics and conduct of its members.

Section 7 (1) of KSTVET legal order no 123 of 2022 stipulates how the council members can exit from being a member. Appointment of Council members representing given offices ensure succession management. This is because, should a sitting member exit for whatever reason, the offices nominate a replacement. Section 8 of KSTVET legal order no 123 states the functions of the Council members. During the year, remuneration to Council members amounted Ksh.8,044,490. Allowances paid were in line with Government circulars and were within approved budget.

The management has put in place an ethics committee with the Heads of Departments being members of corruption prevention committee, while the deputies are appointed as integrity assurance officers. This is aimed at mitigating unethical issues. During the year, these committees developed a corruption mitigation plan, corruption risk assessment as well as corruption prevention procedure.

## Annual Report and Financial Statements For the year ended 30 June, 2025

### 9. Management Discussion and Analysis

During the year under review, the institution had expected to receive Ksh.115,265,800.00 according to the budget for that year which was fully realised.

#### Development Grants

KSTVET was not allocated a development grant.

The operational and financial performance for the last three years is as outlined below:

S/ No	Financial Year	Revenue	Expenses	Surplus /Deficit	Fixed Assets Acquired	Liquidity Ratio
1	2024/2025	592,145,515	587,655,192	3,580,699	44,271,656	27.37
2	2023/2024	721,554,110	701,087,753	20,466,358	54,339,469	21.63
3	2022/2023	562,907,469	553,826,744	9,080,725	34,509,026	9.03

#### Staff and Student Population

Currently the College has 143 administrative and support staff, 110 teaching staff and a student population of 4,048.

#### Projects

During the year under review, KSTVET constructed a conference facility – Prof. Gichaga Annex. The source of funds was internally Generated Income.

#### Statutory and Other Financial Obligations

During the year, KSTVET complied with all the relevant statutory requirements and made the corresponding remittances. There were no arrears with regard to statutory obligation. The school closed the year with trade payables amounting to Ksh. 2,723,235/=.

## **Annual Report and Financial Statements For the year ended 30 June, 2025**

### **Major Risks**

Kenya School of TVET does not have its ownership documents of the land it sits on in its name. The management is making efforts to have the title deed in the name of KSTVET. Meanwhile, there is a risk of the title not reverting to KSTVET which can have an adverse effect when engaging development partners.

KSTVET trains technical trainers in pedagogy, who are to train in TVET institutions. While job adverts for TVET trainers are made, pedagogy has been appearing not as a mandatory requirement but as an added advantage. This poses the risk of the school having a downward trend in student enrolment.

### **Review of the Economy**

The Kenyan economy is currently encouraging blue colour jobs since the level of employment opportunities does not allow absorption of many graduates into formal employment. This has placed the TVET sector on the upper end since they produce graduates who are able to employ themselves and fill the technical skill gap that is currently prevailing in the market.

### **Review of the Sector**

The State Department is currently working towards ensuring that there is a Technical and Vocation Institute in every constituency within the Republic of Kenya. This has continued to create the need for more TVET trainers and the recruitment done during the year had a positive effect on KSTVET's student enrolment.

### **Future Developments**

KSTVET with the support of State Department of TVET intends to offer capacity building to TVET trainers on Competency Based Assessment. This is as a result of adoption of the Competency Based Curriculum.

## Annual Report and Financial Statements For the year ended 30 June, 2025

### 10. Environmental and Sustainability Reporting Statement

#### i) Sustainability strategy and profile

KSTVET management has made some sustainable efforts with regard to provision of staff houses for critical offices with regard to students. The school has recreational facilities including canteens, gym, staff and student lounge, as well as well-maintained fields. On economic sustainability, the school has embarked on other income generating activities, such as, Consultancy projects as well holiday training programs. The strategies adopted with regard to environmental initiatives include promotion of tree planting, use of solar lighting as well as use of green energy in the school kitchen.

Economic

#### ii) Environmental Performance

KSTVET has a policy guiding on waste management, whereby this service has been outsourced through an open tender process. This includes both garbage and sewer management.

#### iii) Employee Welfare

- a) KSTVET is committed to being a good employer, and to contributing positively to the local community, the education sector in the Kenya, and the global community.
- b) As an employer the school is committed to ensuring that all staff are fully supported in their work, have a decent working environment, are fairly rewarded, and maintain good work-life integration. The school engages with recognized Trade Unions that represent and protect the interests of its staff. The school offers competitive terms and conditions to its directly employed staff by:
  - Embedding equality and diversity into all operations
  - Ensuring staff can achieve their full potential through training, mentoring and other staff development activities.

## Annual Report and Financial Statements For the year ended 30 June, 2025

- c) KSTVET also encourages and supports staff to engage in activities that benefit the wider community and society.
- d) KSTVET as an employer ensures that required gender balance is maintained.

### iv) **Market place practices-**

KSTVET has engages in positive market place practices as outlined below:

#### a) **Responsible competition practice.**

The school has a corruption prevention plan in place as well a corruption prevention committee. KSTVET due to its unique mandate does not compete with other TVET Institutions for students.

#### b) **Responsible Supply chain and supplier relations**

KSTVET as guided by PPAD Act 2015 advertises for tenders to supply goods and services through Government Public procurement tender portal as well as the school's website. The school honours contract agreements as entered into with the suppliers and makes timely payments for goods delivered and services rendered.

#### c) **Responsible marketing and advertisement**

KSTVET advertises for its training programs through its official website.

#### d) **Product stewardship**

Training programs offered by KSTVET are quality assured by Technical and Vocational Education and Training Authority (TVETA). There is a KSTVET student body that ensures that student interests are safeguarded.

### v) **Corporate Social Responsibility Policy**

- a) Kenya School of TVET (KSTVET) was founded for public benefit, to promote education and training in Technical Teacher Education, and to provide an institution open to all, irrespective of race, creed or political belief.
- b) The CSR activities are made up of three central pillars: people and community, finance and economic activity, environmental sustainability.

#### c) **Local Community**

## Annual Report and Financial Statements For the year ended 30 June, 2025

During the year under review, KSTVET participated in the following CSR activities to the community; KSTVET provides subsidized early childhood education to children of its employees and the community

- Provision of sanitizers to the staff at the Gigiri Police station
- Donation of old beds to Public Education Institutions.

### 11. Report of the Council

The Council submits their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the KSTVET's affairs. This report was approved by the Council on 13<sup>th</sup> August, 2025.

#### Principal activities

The principal activity of the entity is to Train Technical Trainers.

#### Results

The results of the entity for the year ended June 30, 2025 are set out on page 1 to 5 of the annual report and financial statements.

#### The Council

The members of the Council who served during the year are shown on pages vii to ix.

#### Auditors

The Auditor General is responsible for the statutory audit of the Kenya School of TVET for the year ended 30<sup>th</sup> June 2025 in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Council

**Dr. Edwin Tarno, PhD, HSC**

**CHIEF EXECUTIVE OFFICER/SECRETARY TO THE COUNCIL**

SIGNATURE:



Date:

31/10/2025

## Annual Report and Financial Statements For the year ended 30 June, 2025

### 12. Statement of the Council’s Responsibilities

Section 81(1) 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 as well as legal order No. 115 of 2014, require the Governing Council to prepare financial statements in respect of that College, which give a true and fair view of the state of affairs of the School at the end of the financial year and the operating results of the College for that year. The Council is also required to ensure that the KSTVET keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Council is also responsible for safeguarding the assets of the school.

The Council is responsible for the preparation and presentation of the College’s financial statements, which give a true and fair view of the state of affairs of the school for and as at the end of the financial year ended on 30 June 2025. This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the school;
- 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 school;
- v. Selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Council accept responsibility for the school’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 Public Finance Management Act (2012) and the State Corporations Act and section 29 of schedule 2 of the Technical and Vocational Education and

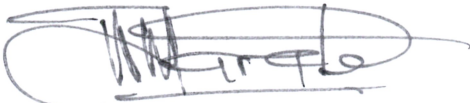
## **Annual Report and Financial Statements For the year ended 30 June, 2025**

Training Act, 2013 as well as legal order No. 123 of 2022.

The Council is of the opinion that the school's financial statements give a true and fair view of the state KSTVET's transactions during the financial year ended June 30, 2025, and of the school's financial position as at that date. The Council further confirm the completeness of the accounting records maintained for the school, which have been relied upon in the preparation of the school's financial statements as well as the adequacy of the systems of internal financial control.

### **Approval of the financial statements**

The College's financial statements were approved by the Council on 13<sup>th</sup> August 2025 and signed on its behalf by:



Nicholas K. Marete  
**Council Chairman**



Dr. Edwin Tarno, PhD, HSC  
**Chief Executive Officer**

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON KENYA SCHOOL OF TVET FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

#### Opinion

I have audited the accompanying financial statements of Kenya School of TVET set out on pages 1 to 37, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets,

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*Report of the Auditor-General on Kenya School of TVET for the year ended 30 June, 2025*

statement of cash flows and the 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, the financial statements present fairly, in all material respects, the financial position of Kenya School of TVET as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Legal Order Number 123 of 2022 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya School of TVET 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 opinion.

### **Key Audit Matters**

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

### **Other Matter**

#### **Irregular Transfer of School Land**

As previously reported, the statement of financial position reflects property, plant and equipment balance of Kshs.26,762,209,837 as disclosed in Note 20 to the financial statements. Included in this balance is land with a value of Kshs.24,000,000,000 for which the School forwarded the original title deed to the then Cabinet Secretary, Ministry of Education vide letter reference MOEST/TT/CONF/9/4/3 on 9 September, 2016. Management was notified on the loss of the original certificate of lease vide letter reference MOEST/CON/TT/13/1(53) dated 2 February, 2021. However, the title of the land was transferred on 16 February, 2022 to the Cabinet Secretary, the National Treasury as a trustee for the Ministry of Foreign Affairs. The involvement of the School's Council in the transfer could not be confirmed. The Public Investment Committee in the meeting of 15 March, 2023 noted the issue and directed that the ownership be reverted to the School. However, as at the time of concluding the audit in October, 2025, the directive had not been implemented.

## **Other Information**

The Council Members are responsible for the Other Information set out on pages iv to xxvii which comprise of Key Entity Information and Management, The Council, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting Statement, Report of the Council and the Statement of Council's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the 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 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

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

## **Responsibilities of Management and the Council**

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

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

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

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

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

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


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi




11 November, 2025

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR 2024-2025**
**14. Statement of Financial Performance for The Year Ended 30 June 2025**

	Note	2024-2025	2023-2024
		Kshs	Kshs
<b>REVENUE</b>			
Transfer from the National Government	6	115,265,800	309,200,000
Rendering of Services	7	393,863,623	337,960,137
Rental Revenue from Facilities & Equipment	8	18,618,063	33,184,573
Other Incomes	9	64,398,030	39,722,500
<b>Total Revenue</b>		<b>592,145,515</b>	<b>720,067,210</b>
<b>EXPENSES</b>			
Use of Goods and Services	10	346,911,119	461,716,690
Employee Costs	11	97,730,790	95,406,872
Council Expenses	12	8,044,490	11,801,210
Depreciation and amortization Expense	13	76,286,679	77,994,116
Repairs and Maintenance	14	37,622,046	37,092,869
Contracted Services	15	21,969,693	17,201,650
<b>Total Expenses</b>		<b>588,564,817</b>	<b>701,213,408</b>
<b>Surplus (Deficit) for the Period</b>		<b>3,580,699</b>	<b>18,853,803</b>

The notes set out on pages 6 to 39 form an integral part of these Financial Statements.




The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council by:

		
Dr. Edwin Tarno, PhD, HSC Chief Executive Officer	Elizabeth Wangaruro Chief Finance Officer ICPAK Member No.: 12511	Nicholas K. Marete Chairman of the Council
Date: 31/10/2025	Date: 31/10/25	Date: 31/10/2025

**15. Statement of Financial Position as at 30<sup>th</sup> June 2025**

	Note	2024-2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	131,140,469	133,143,845
Receivables from exchange transactions	17	98,229,480	52,397,057
Refundable Deposits	18	2,500,000	2,500,000
Prepayment	19	0	14,959,998
<b>Total Current Assets</b>		<b>231,869,949</b>	<b>203,000,900</b>
<b>Non-current assets</b>			
Property, plant and equipment	20	26,762,209,837	26,789,409,138
Intangible assets	21	1,458,083	6,283,925
<b>Total Non-Current Assets</b>		<b>26,763,667,920</b>	<b>26,795,693,063</b>
<b>Total Assets</b>		<b>26,995,537,869</b>	<b>26,998,693,963</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	22	2,723,235	9,460,029
Prepayment			
<b>Total liabilities</b>		<b>2,723,235</b>	<b>9,460,029</b>
<b>Capital Reserves &amp; Surpluses</b>			
Revenue Reserves		-146,761,858	-150,342,557
Capital Reserves		27,139,576,491	27,139,576,491
<b>Total Capital Reserves &amp; Surpluses</b>		<b>26,992,814,634</b>	<b>26,989,233,934</b>
<b>Total Reserves and liabilities</b>		<b>26,995,537,869</b>	<b>26,998,693,963</b>

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council by:

		
Dr. Edwin Tarno, PhD, HSC Chief Executive Officer Date: 31/10/2025	Elizabeth Wangaruro Chief Finance Officer ICPAK Member No.: 12511 Date: 31/10/25	Nicholas K. Marete Chairman of the Council Date:




**16. Statement of Changes in Net Assets for The Year Ended 30th June, 2025**

	CAPITAL RESERVE	REVENUE RESERVE	TOTAL
	Kshs	Kshs	Kshs
As at 1 July 2024	27,139,576,491	-169,196,360	26,970,380,131
Surplus for the year		18,853,803	18,853,802
As at 30 June 2024	27,139,576,491	-150,342,557	26,989,233,933
As at 1 July 2024	27,139,576,491	-150,342,557	26,989,233,933
Surplus for the year		3,580,699	3,580,699
As at 30 June 2025	27,139,576,491	(146,761,858)	26,992,814,633

**17. Statement of Cashflows for The Year Ended 30th June 2025**

	Note	2024-2025	2023-2024
<b>Cash flows from operating activities</b>		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts</b>			
Transfer from National Government	6	115,265,800	309,200,000
Cashflow from Rendering of Services	23	376,264,248	304,858,608
Cashflow from Rents facilities and equipment	24	19,094,468	33,184,573
Cashflows from other Income	9	64,398,030	39,722,500
		<b>575,022,546</b>	<b>686,965,681</b>
<b>Payments</b>			
Use of Goods and Services	25	366,558,247	447,291,148
Employee Costs	11	97,730,790	95,406,872
Council Expenses	12	8,044,490	11,801,210
Repairs and Maintenance	26	38,622,046	37,092,869
Contracted Services	15	21,969,693	17,201,650
		<b>532,925,266</b>	<b>608,793,749</b>
<b>Net cash flows from operating activities</b>		<b>42,097,280</b>	<b>78,171,932</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment	20	-44,100,656	-55,212,712
Intangible assets	19		-4,200,950
Retention			-5,253,243
<b>Net cash flows used in investing activities</b>		<b>-44,100,656</b>	<b>-64,843,905</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-2,003,376</b>	<b>13,505,027</b>
<b>Cash and cash equivalents at the beginning of the Year</b>		<b>133,143,845</b>	<b>119,638,818</b>
<b>Cash and cash equivalents at end of the year</b>	<b>16</b>	<b>131,140,469</b>	<b>133,143,845</b>

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council by:

		
Dr. Edwin Tarno, PhD, HSC Chief Executive Officer Date: 31/10/2025	Elizabeth Wangaruro Chief Finance Officer ICPAK Member No.: 12511 Date: 31/10/25	Nicholas K. Marete Chairman of the Council Date: 31/10/2025

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR 2024-2025

**18. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2025**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	2024/2025	2024/2025	2024/2025	2024/2025	2024/2025	
REVENUE	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfer from the National Government	114,000,000	1,265,800	115,265,800	115,265,800	0	100.00
Rendering of Services - Fees from students	272,782,800	124,000,000	396,782,800	376,264,248	20,518,552	94.83
Rental Revenue from Facilities & Equipment	33,815,578	-15,000,000	18,815,578	19,094,468	-278,890	101.48
Other Incomes	41,483,772	26,000,000	62,483,772	64,398,030	-1,914,258	103.06
Remove		0				
<b>TOTAL REVENUE</b>	<b>462,082,150</b>	<b>136,265,800</b>	<b>593,347,950</b>	<b>575,022,546</b>	<b>18,325,404</b>	
<b>EXPENDITURE</b>						
Use of goods and services	284,895,199	85,344,572	370,239,771	366,558,247	3,681,524	99.01
Employee costs	90,335,607	14,265,800	104,601,407	97,730,790	6,870,617	93.43
Council Members Expenses	12,840,544	-1,500,000	11,340,544	8,044,490	3,296,054	70.94
Repairs and Maintenance	39,850,000	900,000	40,750,000	38,622,046	2,127,954	94.78
Contracted Professional Services	14,644,572	7,500,000	22,144,572	21,969,693	174,879	99.21
<b>TOTAL EXPENDITURE</b>	<b>442,565,922</b>	<b>106,510,372</b>	<b>549,076,294</b>	<b>532,925,266</b>	<b>16,151,028</b>	
Capital Expenditure	19,516,228	24,755,428	44,271,656	44,100,656		
Surplus for the period				-2,003,376		

Budget notes

1. There was no significant underutilization that was below 90% of utilization. There was an overutilization by 4.7% of revenue from rendering of services. This is income from students' fees that is explained by an improvement in student enrolment. (IPSAS 24.14)
2. The changes between original and final budget is explained by allocation given for Digital Training Skills which was a strategic intervention by the State Department for Education that gave the additional allocation. (IPSAS 24.29)
3. The total of actual on comparable basis ties to the statement of financial performance totals.

## **Annual Report and Financial Statements For the year ended June 30, 2025**

### **19. Notes to the Financial Statements**

#### **1. General Information**

Kenya School of TVET (KSTVET) is established by and derives its authority and accountability from Education Act Cap. 211 (revised in 1980) and Legal Notice no. 242 of 1978 coupled with the TVET Act 2013, which mandates it to train Technical Teachers for Technical and other Institutions of learning in the Country. In the Year 2014, a Legal Order No. 115 was issued which elevated the institution to a National Polytechnic. KSTVET is wholly owned by the Government of Kenya and is domiciled in Kenya.

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

The financial statements have been prepared on a historical cost basis, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value where applicable. 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 college's accounting policies.

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

The financial statements have been prepared in accordance with the PFM Act No. 18 of 24<sup>th</sup> July 2012, the State Corporations Act, the TVET Act 2013, Legal Order No. 115 (July 2014), and International Public Sector Accounting Standards (IPSAS). The Institution adopted IPSAS in the year 2016 following elevation into a SAGA. The accounting policies adopted have been consistently applied to all the years presented.

#### **3. Adoption of New and Revised Standards**

##### **i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2025.**

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

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

## Annual Report and Financial Statements For the year ended June 30, 2025

Standard	Effective date and impact:
<b>IPSAS 43</b>	<p><i>Applicable 1<sup>st</sup> 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.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>This will not have a major impact On KSTVET.</p>
<b>IPSAS 44:</b>	<i>Applicable 1<sup>st</sup> January 2025</i>
<b>Non- Current Assets Held for Sale and Discontinued Operations</b>	<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> <p>This will not have a major impact On KSTVET.</p>
<b>IPSAS 45-</b>	<i>Applicable 1<sup>st</sup> January 2025</i>
<b>Property Plant and Equipment</b>	<p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>This will not have a major impact On KSTVET.</p>

**Annual Report and Financial Statements For the year ended June 30, 2025**

**IPSAS 46** *Applicable 1<sup>st</sup> January 2025*

**Measurement** The objective of this standard was to improve measurement guidance across IPSAS by:

- i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.
- ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;
- iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

The standard also introduces a public sector specific measurement bases called the current operational value. This will not have a major impact On KSTVET.

**IPSAS 47-** *Applicable 1<sup>st</sup> January 2026*

**Revenue** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.

This will not have a major impact On KSTVET.

**IPSAS 48-** *Applicable 1<sup>st</sup> January 2026*

**Transfer Expenses** The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.

This will not have a major impact On KSTVET.

**IPSAS 49-** *Applicable 1<sup>st</sup> January 2026*

**Retirement Benefit Plans** The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

This will not have a major impact On KSTVET.

## Annual Report and Financial Statements For the year ended June 30, 2025

### iii. Early adoption of standards

KSTVET did not early-adopt any new or amended standards in year ended 2025.

## 4. Summary Of Significant Accounting Policies

### a) Revenue recognition

#### i) Revenue from non-exchange transactions

##### **Fees, taxes and fines**

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

##### **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.

##### **Interest income**

## **Annual Report and Financial Statements For the year ended June 30, 2025**

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

### **Rental income**

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

### **Budget information**

The original budget for FY 2024-2025 was approved by the Governing Council in January 2024. Subsequent revisions to the original budget were made during the year in April 2025 in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget upon receiving the respective approvals in order to conclude the final budget.

KSTVET'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.

## Annual Report and Financial Statements For the year ended June 30, 2025

### Notes to the Financial Statements (Continued)

#### Summary of Significant Accounting Policies (Continued)

##### **Taxes**

##### **Current income tax**

Kenya School of TVET has been paying taxes as per first schedule Section 10 subsection (a) and (b) of the 2010 Income Tax Act.

##### **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 30-year period. 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.

##### **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

## Annual Report and Financial Statements For the year ended June 30, 2025

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.

The College has a policy of depreciating its assets using the Reducing Balance method. Depreciation is done using the adopted rates as indicated below:

Buildings	@ 2%
Plant Machinery & Equipment	@ 10%
Motor Vehicles	@ 25%
Computers	@ 30%
Furniture	@ 10%

### 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. Following initial recognition, intangible assets are depreciated using the reducing balance method, where 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 Amortization rate Adopted by the College is 30%.

### Research and development costs

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

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

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

## **Annual Report and Financial Statements For the year ended June 30, 2025**

of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

### **Financial instruments**

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 Entity 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.

#### **i) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

KSTVET has a policy of providing for general debts at the rate of 5% of receivables.

#### **j) Contingent liabilities and assets**

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

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

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

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

## **Annual Report and Financial Statements For the year ended June 30, 2025**

### **l) Related parties**

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

### **m) 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.

### **n) Comparative figures**

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

### **o) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

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

The preparation of the Entity'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. State all judgements, estimates and assumptions made: e.g.

**Annual Report and Financial Statements For the year ended June 30, 2025**  
**Estimates and assumptions**

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

**Useful lives and residual values**

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

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

**Provisions**

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. The college has made a general provision of 5% towards bad debts from receivables, in line with its policy on provision for bad and doubtful debts.

**6. Transfers from other Government Entities**

Description	2024-2025	2023-2024
<b>Grants</b>	Kshs	Kshs
<b>Operational grant</b>	115,265,800	249,000,000
<b>Others - PASET</b>	-	60,200,000
<b>Total</b>	<b>115,265,800</b>	<b>309,200,000</b>

The purpose of the funding was operation and training/capacity building of TVET officers

**Annual Report and Financial Statements For the year ended June 30, 2025**

**b) Transfers from Ministries, Departments and Agencies (MDAs)**

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance. * KShs	Amount deferred under deferred income. KShs	Amount recognised in capital fund. KShs	Total transfers (Current FY) KShs	Insert Comparative FY KShs
State Department of TVET- Operations	115,265,800	-	-	115,265,800	249,000,000
State Department of TVET- PASET Conference	-	-	-	-	60,200,000
<b>Total</b>	<b>115,265,800</b>	<b>-</b>	<b>-</b>	<b>115,265,800</b>	<b>309,200,000</b>

**7. Revenue from Rendering of Services**

	2024-2025	2023-2024
	Kshs	Kshs
Accommodation Subsidy	15,329,289	17,891,200
Activity Fees	9,424,282	7,825,719
Ict Fees	11,646,500	9,722,200
Library Fees	7,080,134	7,016,100
Maintenance Fees	3,874,937	3,837,535
Medical Fees	14,136,732	14,038,900
Registration Fees	6,802,520	6,097,500
Tuition Fees	248,368,618	191,486,187
Local Transport & Travel (LT&T)	7,035,811	7,816,105
Electricity, Water & Conservancy (EWC)	11,738,241	9,870,177
Meals (PAYE)	15,119,266	22,806,499
Personal Emoluments (PE)	43,307,293	39,552,015
<b>Total Revenue from Rendering of Services</b>	<b>393,863,623</b>	<b>337,960,137</b>

This is tuition fees collected from students undertaking a diploma in Technical Trainer Education Course

**8. Rental Revenue from Facilities**

	2025	2024
	Kshs	Kshs
Bill Boards	5,014,432	4,983,255
Rental From staff Houses	5,250,000	5,250,000
Hire of College Facilities	8,353,631	22,951,318
<b>Total</b>	<b>18,618,063</b>	<b>33,184,573</b>

## Annual Report and Financial Statements For the year ended June 30, 2025

This is revenue from staff houses as well as revenue from hire of KSTVET’s facilities.

### 9. Other Incomes

	2025		2024
	Kshs		Kshs
Consultancy & Trainings	60,362,830		34,488,244
Nursery School	4,035,200		5,234,256
<b>Total</b>	<b>64,398,030</b>		<b>39,722,500</b>

This is income from income generating activities undertaken by the school.

### 10. Use Of Goods and Services

	2024-2025		2023-2024
	Kshs		Kshs
Electricity Expenses	12,283,381		14,377,911
Water, Fuel and Conservancy	11,254,792		12,496,231
Teaching Practice Expenses	16,540,040		32,294,100
Purchase Of Food and rations	41,519,467		69,211,681
Purchase of Tuition Supplies	8,174,370		10,427,780
Graduation Expense	7,837,927		8,459,300
Transport Operating Expenses	24,660,445		24,952,570
Staff Training	4,326,238		6,639,165
Farewell And Special Events	264,500		1,439,989
International Trips	2,858,536		1,805,131
Domestic Travel	5,289,357		6,258,609
Library Expenses	129,896		460,519
Insurance	2,495,417		2,173,266
Payment Of Rents and Rates (nr)	481,231		
Postal And Telegrams Expenses			3,540
Publishing And Printing Expenses			2,075,785
Purchase Of Uniform and Clothing	463,738		341,963
Telephone Expenses	846,110		1,443,699
Advertising And Publicity	123,610		2,366,729
Hire Of College Facilities Expenses	7,120,079		2,145,256
Auto garage	1,378,279		3,568,292

### Annual Report and Financial Statements For the year ended June 30, 2025

Research Innovation & Incubation	480,500	293,070
Student Activities	7,968,279	7,284,471
Training Expenses	34,845,095	36,567,189
Purchase Of Stationery	4,267,572	6,476,312
I.C.T. Expenses	10,044,992	7,396,628
Consultancy and Trainings	132,286,016	189,049,193
House Keeping Expenses	1,445,403	3,560,275
Dispensary Expense	1,887,737	1,529,269
Bank Charges	2,586,905	3,406,682
Provision for Audit fee	580,000	580,000
	<b>344,439,912</b>	<b>459,084,605</b>
Provision for Doubtful Debts (5%)	2,471,207	2,632,085
<b>Total General Expenses</b>	<b>346,911,119</b>	<b>461,716,690</b>

There is a variance of KShs. 114,805,571 where the current financial year is lower. This is explained by the reduction in budget due to reduced allocation.

#### 11. Employee Costs

	2024-2025	2023-2024
	kshs	Kshs
Commuter Allowance	6,116,000	6,551,000
Gratuity	10,940,579	9,339,757
House Allowance	13,996,875	13,863,875
Medical Allowances	1,231,890	1,319,400
Passage And Leave Expenses	620,000	634,000
Personal Emoluments/Basic Salary	57,121,728	57,604,232
Responsibility Allowance	3,077,700	3,622,500
Employer NSSF	3,416,281	2,472,109
Employer Housing Levy	1,128,387	
Nita	81,350	
<b>Total Staff Costs</b>	<b>97,730,790</b>	<b>95,406,872</b>

The variance of Kshs. 2,323,918/= is explained by the annual salary increment as well as enhanced statutory deductions implemented during the year.

## Annual Report and Financial Statements For the year ended June 30, 2025

### 12. Council Expenses

	2024-2025	2023-2024
	kshs	Kshs
Chairman's Honoraria	960,000	960,000
Sitting Allowance	2,455,000	4,860,000
Transport	1,825,260	1,644,810
Accommodation	2,038,000	3,769,400
Lunches	134,000	270,000
Airtime	320,000	297,000
Insurance	312,230	
<b>Total</b>	<b>8,044,490</b>	<b>11,801,210</b>

The variance in this expenditure was 3,756,720/= with the year under review being lower. The previous year had the Council members being engaged in more activities including their induction as well as shortlisting and interviewing new KSTVET trainers who were later appointed in September 2024.

### 13. Depreciation And Amortization Expense

	2024-2025	2023-2024
	kshs	Kshs
Property Plant & Equipment	75,661,787	75,301,005
Intangible Assets	624,893	2,693,111
	76,286,679	77,994,116

There was a slight decrease in this expense as explained the continued wear and tear during the year under review.

### 14. Repairs And Maintenance

	2024-2025	2023-2024
<b>Repairs and Maintenance</b>	<b>Kshs</b>	<b>Kshs</b>
Maint. Of Buildings And Furniture	36,199,885	36,147,913
Maint. Of Plant M. & Equipment	597,186	221,556
Maintenance Of Water Supplies	824,975	723,400
	37,622,046	37,092,869

There was a slight decrease of Kshs. 529,177/= in this expense.

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**15. Contracted Professional Services**

	2024-2025	2023-2024
	Kshs	Kshs
Security Services	7,365,619	5,769,696
Cleaning Services	4,833,287	3,598,682
Garbage Collection	1,990,156	1,768,632
Sanitary Services	1,793,040	681,255
Staff Effort	5,987,591	5,383,385
	<b>21,969,693</b>	<b>17,201,650</b>

There was a variance of Kshs. 4,768,043/= with the current year being higher. This is as a result of increased area of coverage by the service providers, that is the KSTVET Hotel.

**16. Cash And Cash Equivalents**

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	131,140,469	132,093,982
Others (Mpesa)	0	1,049,862
<b>Total</b>	<b>131,140,469</b>	<b>133,143,845</b>

		2024-2025	2023-2024
Financial Institution	Account Number	Kshs	Kshs
Cooperative Bank	01129070020900	9,168,588	4,488,946
Equity Bank	047029416642	24,338,940	10,433,178
Kenya Commercial Bank	1104061007	13,400,163	25,319,613
Kenya Commercial Bank	1124474773	10,627,751	8,316,682
Kenya Commercial Bank	1104065657	66,102,278	57,602,618
ABSA Bank	0551440494	7,502,749	25,932,946
Mpesa		0	1,049,862
		<b>131,140,469</b>	<b>133,143,845</b>

**Annual Report and Financial Statements For the year ended June 30, 2025**

**17. Receivables from Exchange Transactions**

**(a) Receivables from exchange transactions (Current)**

Description	2024-2025	2023-2024
Receivables	Kshs	Kshs
Staff Advance	10,000	406,400
Staff Imprest	541,070	368,133
Students Fees Debtors	40,195,452	39,678,655.50
Rent Debtors	128,375	351,618
Bill Boards	955,275	971,251
Trade Debtors	34,248,767	13,378,740
GoK	28,500,000	
<b>Total Receivables</b>	<b>104,578,939</b>	<b>55,154,797</b>
Less: Provision for bad and doubtful debts	5,228,947	2,757,740
<b>Net Receivables from Exchange transactions</b>	<b>98,229,480</b>	<b>52,397,057</b>

Description	2024-2025		2023-2024	
	Current	% of the total	Comparative	% of the total
<b>Less than 1 year</b>				
Staff Advance	10,000	100	406,400	0.80%
Staff Imprest	541,070	0.85%	368,133	0.70%
Students Fees Debtors	28,594,602	12%	9,291,389	19%
Rent Debtors	128,375	0.40%	351,618	0.70%
Bill Boards	955,275	2%	971,251	2%
Trade Debtors			13,378,740	27%
<b>Between 1- 2 years</b>				

**Annual Report and Financial Statements For the year ended June 30, 2025**

Students Fees Debtors	30,387,266	56%	30,387,266	56%
<b>Total</b>	<b>55,154,797</b>	<b>100</b>	<b>55,154,797</b>	<b>100</b>
Less: 5% Provision for bad and doubtful debts	1,511,466	5%	2,757,740	5%
<b>Total</b>	<b>52,397,057</b>	<b>100</b>	<b>52,397,057</b>	<b>100</b>

**18. Refundable Deposits from Customers**

	2024-2025		2023-2024
	Kshs		Kshs
Deposits - Total Kenya Limited	2,500,000		2,500,000
<b>Total Deposits</b>	<b>2,500,000</b>		<b>2,500,000</b>

**19. Prepayments**

	2024-2025		2023-2024
	Kshs		Kshs
CFAO Kenya Ltd	-		14,959,998
<b>Total Deposits</b>	<b>-</b>		<b>14,959,998</b>

## Annual Report and Financial Statements For the year ended June 30, 2025

### 20. Property Plant and Equipment

	Land	Buildings 2%	Plant, Machinery and Equipment 10%	Motor vehicles 25%	Computers 30%	Furniture and fittings 10%	Capital Work in progress	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June (2023)	24,000,000,000	3,059,758,873	34,738,097	57,059,655	18,957,933	35,203,823	0	27,205,718,381
Additions	0	24,382,086	1,001,585	0	14,979,300	14,849,741	0	55,212,712
Disposals	0	0	0	-405,000	0	0	0	-405,000
Transfers/Adjustments	0	52,352,441	0	0	0	0	-52,352,441	0
As at 30 <sup>th</sup> June (2024)	<b>24,000,000,000</b>	<b>3,136,673,400</b>	<b>35,739,682</b>	<b>56,654,655</b>	<b>35,873,792</b>	<b>48,114,005</b>	<b>0</b>	<b>27,313,055,534</b>
Additions	0	19,216,023	0	14,959,998	4,974,503	5,121,132	0	<b>44,271,656</b>
Disposals	0		0	0				
As at 30 <sup>th</sup> June 2025	<b>24,000,000,000</b>	<b>3,155,889,423</b>	<b>35,739,682</b>	<b>71,614,653</b>	<b>40,848,295</b>	<b>53,235,137</b>	<b>0</b>	<b>27,357,327,190</b>
Depreciation And Impairment								
As At 30 <sup>th</sup> June (2023) accu	-	377,961,160	18,104,635	29,154,747	8,863,874	14,260,975	0	448,345,391
Depreciation-charge	-	55,174,245	1,763,505	6,874,977	8,102,975	3,385,303	0	<b>75,301,005</b>
Disposals	-	0	0	0	0	0	0	<b>0</b>
As at 30 <sup>th</sup> June (2024)	<b>0</b>	<b>433,135,405</b>	<b>19,868,140</b>	<b>36,029,724</b>	<b>16,966,849</b>	<b>17,646,278</b>	<b>0</b>	<b>523,646,396</b>
Depreciation-Charge		54,455,080	1,587,154	8,896,232	7,164,434	3,558,886		75,661,786
Disposals								
As at 30 <sup>th</sup> June 2025	<b>0</b>	<b>487,590,485</b>	<b>21,455,294</b>	<b>44,925,956</b>	<b>24,131,283</b>	<b>21,205,164</b>	<b>0</b>	<b>599,308,182</b>
Net Book Values (2025)	<b>24,000,000,000</b>	<b>2,668,298,938</b>	<b>14,284,388</b>	<b>26,688,697</b>	<b>16,717,012</b>	<b>32,029,973</b>	<b>0</b>	<b>26,762,209,837</b>
As at 30 <sup>th</sup> June (2024)	<b>24,000,000,000</b>	<b>2,703,537,995</b>	<b>15,871,542</b>	<b>20,624,931</b>	<b>18,906,943</b>	<b>30,467,727</b>	<b>0</b>	<b>26,789,409,138</b>

**Annual Report and Financial Statements For the year ended June 30, 2025**

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

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
<b>Land</b>	24,000,000,000	0	24,000,000,000
<b>Buildings</b>	3,155,889,423	487,590,485	2,668,298,938
<b>Plant And Machinery</b>	35,739,682	21,455,294	14,284,388
<b>Motor Vehicles, Including Motorcycles</b>	71,614,653	44,925,956	26,688,697
<b>Computers And Related Equipment</b>	40,848,295	24,131,283	16,717,012
<b>Office Equipment, Furniture, And Fittings</b>	53,235,137	21,205,164	32,029,973
<b>Total</b>	<b>27,357,327,190</b>	<b>599,308,182</b>	<b>26,762,209,838</b>

Property plant and Equipment include the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
<b>Plant and Machinery</b>	-	-
<b>Motor Vehicles including Motorcycles</b>	-	-
<b>Computers and Related Equipment</b>	-	-
<b>Office Equipment, Furniture and Fittings</b>	-	-
<b>Total</b>	-	-

**Annual Report and Financial Statements For the year ended June 30, 2025**

**21. Intangible Assets @30%**

<b>Intangible Assets</b>	
<b>COST</b>	<b>Kshs.</b>
Cost as at 1 July 2023	7,861,400
Additions for the Year	4,200,950
Cost as at 30 June 2024	12,062,350
Amortization as at 1 July 2023	3,085,314
Charge for the year	2,693,111
Accumulated Amortization 30 June 2024	5,778,425
Book Value as at 30th June 2024	6,283,925
Book Value as at 30th June 2023	4,776,086
<b>Intangible Assets</b>	
	<b>Kshs.</b>
<b>COST</b>	
Cost as at 1 July 2024	7,861,400
Additions for the Year	0
Cost as at 30 June 2025	7,861,400
Amortization as at 1 July 2024	5,778,425
Charge for the year	624,893
Accumulated Amortization 30 June 2025	6,403,317
Book Value as at 30th June 2025	1,458,083
Book Value as at 30th June 2024	6,283,925

**Annual Report and Financial Statements For the year ended June 30, 2025**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**22. Trade and other Payables –From Exchange Transactions**

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	2,703,712		9,087,891	
Caution money	19,523		372,138	
<b>Total trade and other payables</b>	<b>2,723,235</b>		<b>9,460,029</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	2,723,235	100%	9,460,029	100%
<b>Total (tie to above total)</b>	<b>2,723,235</b>		<b>9,460,029</b>	

**23. Cash from rendering of services**

	2024-2025	2023-2024
	Kshs	Kshs
Accommodation Subsidy	15,329,289	17,891,200
Activity Fees	9,424,282	7,825,719
Ict Fees	11,646,500	9,722,200
Library Fees	7,080,134	7,016,100
Maintenance Fees	3,874,937	3,837,535
Medical Fees	14,136,732	14,038,900
Registration Fees	6,802,520	6,097,500
Tuition Fees	230,769,243	158,384,658
Local Transport & Travel (LT&T)	7,035,811	7,816,105
Electricity, Water & Conservancy (EWC)	11,738,241	9,870,177
Meals (PAYE)	15,119,266	22,806,499
Personal Emoluments (PE)	43,307,293	39,552,015
<b>Total Revenue from Rendering of Services</b>	<b>376,264,248</b>	<b>304,858,608</b>

**Annual Report and Financial Statements For the year ended June 30, 2025**

**24. Cash from rents, facilities and equipment**

	2024-2025	2023-2024
	Kshs	Kshs
Bill Boards	5,014,432	4,983,255
Rental From staff Houses	5,250,000	5,250,000
Hire of College Facilities	8,830,036	22,951,318
<b>Total</b>	<b>19,094,468</b>	<b>33,184,573</b>

**25. Cash paid for use of goods and services**

	2024-2025	2023-2024
	Kshs	Kshs
Electricity Expenses	12,283,381	14,377,911
Water, Fuel And Conservancy	11,254,792	12,496,231
Teaching Practice Expenses	16,540,040	32,294,100
Purchase Of Food and rations	51,519,467	69,211,681
Purchase of Tuition Supplies	15,174,370	10,427,780
Graduation Expense	7,837,927	8,459,300
Transport Operating Expenses	24,660,445	24,952,570
Staff Training	4,326,238	6,639,165
Farewell And Special Events	264,500	1,439,989
International Trips	2,858,536	1,805,131
Domestic Travel	5,289,357	6,258,609
Library Expenses	129,896	460,519
Insurance	2,495,417	2,173,266
Payment Of Rents And Rates (nr)	481,231	
Postal And Telegrams Expenses		3,540
Publishing And Printing Expenses		2,075,785
Purchase Of Uniform And Clothing	463,738	341,963
Telephone Expenses	846,110	1,443,699
Advertising And Publicity	123,610	2,366,729
Hire Of College Facilities Expenses	7,120,079	2,145,256
Auto garage	1,378,279	3,568,292
Research Innovation & Incubation	480,500	293,070

### Annual Report and Financial Statements For the year ended June 30, 2025

Student Activities	7,968,279	7,284,471
Training Expenses	34,845,095	36,567,189
Purchase Of Stationery	4,267,572	6,476,312
Ict Expenses	10,044,992	7,396,628
Consultancy and Trainings	137,404,351	177,255,736
House Keeping Expenses	1,445,403	3,560,275
COVID - 19 Expense	1,887,737	1,529,269
Bank Charges	2,586,905	3,406,682
Provision for Audit fee	580,000	580,000
<b>Total General Expenses</b>	<b>366,558,247</b>	<b>447,291,148</b>

### 26. Cash paid for repairs and maintenance

	2024-2025	2023-2024
	Kshs	Kshs
Maint. Of Buildings and Furniture	37,199,885	36,147,913
Maint. Of Plant M. & Equipment	597,186	221,556
Maintenance Of Water Supplies	824,975	723,400
	38,622,046	37,092,869

### 27. Cash Generated from Operations

Description	2023/2024	2023/2024
	Kshs	Kshs
Surplus for the year before tax	3,580,699	18,853,803
Adjusted for:		
Depreciation and Amortization	76,286,679	77,994,116

### Annual Report and Financial Statements For the year ended June 30, 2025

Gains and losses on disposal of assets		0
Contribution to provisions	-160,878	-2,500,000
Contribution to impairment allowance		
<b>Working capital adjustments</b>		
Increase/Decrease in receivables	-30,872,425	-1,744,304
Increase/Decrease in payables	-6,736,795	-2,534,134
Increase/Decrease in prepayments		-14,959,998
<b>Net cash flow from operating activities</b>	<b>42,097,280</b>	<b>78,171,932</b>

### 28. 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 Entity'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 Entity 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

### Annual Report and Financial Statements For the year ended June 30, 2025

presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity'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	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 <sup>th</sup> June 2025				
Receivables from exchange transactions	98,229,480	98,229,480	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	131,140,469	131,140,469	-	-
<b>Total</b>	<b>229,369,949</b>	<b>229,369,949</b>	-	-
As at 30 June 2024			-	-
Receivables from exchange transactions	52,397,057	52,397,057	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	133,143,845	133,143,845	-	-
<b>Total</b>	<b>185,540,902</b>	<b>185,540,902</b>	-	-

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 Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

#### ii) Liquidity risk management

## Annual Report and Financial Statements For the year ended June 30, 2025

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024</b>				
<b>Trade payables</b>	-	9,460,029	-	9,460,029
<b>Current portion of borrowings</b>	-	-	-	-
<b>Provisions</b>	-	-	-	-
<b>Deferred income</b>	-	-	-	-
<b>Employee benefit obligation</b>	-	-	-	-
<b>Total</b>	-	9,460,029	-	9,460,029
<b>As at 30<sup>th</sup> June 2025</b>				
<b>Trade payables</b>	-	2,723,235	-	2,723,235
<b>Current portion of borrowings</b>	-	-	-	-
<b>Provisions</b>	-	-	-	-
<b>Deferred income</b>	-	-	-	-
<b>Employee benefit obligation</b>	-	-	-	-
<b>Total</b>	-	2,723,235	-	2,723,235

### iii) Market risk

KSTVET has put in place an internal audit function to assist it in assessing the risk it faces 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

### Annual Report and Financial Statements For the year ended June 30, 2025

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 Management is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to KSTVET’s exposure to market risks or the way it manages and measures the risk.

#### iv) Foreign currency risk

KSTVET has minimal 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. KSTVET 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.

The carrying amount of the KSTVET’s foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

#### 2024-2025

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>			
<b>Financial Assets</b>	-	-	-
<b>Investments</b>	-	-	-
<b>Cash</b>	131,140,469	-	131,140,469
<b>Debtors</b>	98,229,480	-	98,229,480
<b>Total Financial Assets</b>	229,369,949	-	229,369,949
<b>Financial Liabilities</b>			
<b>Trade And Other Payables</b>	2,723,235	-	2,723,235
<b>Borrowings</b>	-	-	-
<b>Total Financial Liabilities</b>	2,723,235	-	2,723,235
<b>Net Foreign Currency Asset/(Liability)</b>	-	-	-

**Annual Report and Financial Statements For the year ended June 30, 2025**

**v) Interest rate risk**

Interest rate risk is the risk that KSTVET’s financial condition may be adversely affected as a result of changes in interest rate levels due to interest rate risk arising from bank deposits. This exposes KSTVET to cash flow interest rate risk.

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

**vi) Capital Risk Management**

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

Description	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	-146,761,858	-150,342,555
Capital Reserve	27,139,576,491	27,139,576,491
<b>Total Funds</b>	<b>26,992,814,633</b>	<b>26,989,233,936</b>
Total Borrowings		-
Less: Cash and Bank Balances	(131,140,469)	(133,143,845)
Net Debt/ (Excess Cash and Cash Equivalents)	26,861,674,166	26,856,090,091
<b>Gearing</b>		

**29. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to KSTVET 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 KSTVET, holding 100% of its equity interest. The Government of Kenya would provide full guarantees to all long-term lenders of the Entity, both domestic and external.

## Annual Report and Financial Statements For the year ended June 30, 2025

### Other related parties include:

- i) The National Government;
- ii) The Ministry of Education;
- iii) Public Service Commission;
- iv) TVETA;
- v) Teachers Service Commission;
- vi) National Industrial Training Authority;
- vii) Key management.
- viii) Council.

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Sales of electricity to govt agencies	-	-
Rent income from govt. Agencies	-	-
Water sales to govt. Agencies	-	-
Others (specify) e.g. interest and bank charges	-	-
<b>Total</b>	-	-
<b>B) purchases from related parties</b>		
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 (specify)	-	-
<b>Total</b>	-	-
<b>b) Grants /transfers from the government</b>		
Grants from national govt	115,265,800	310,686,900
Grants from county government	-	-

**Annual Report and Financial Statements For the year ended June 30, 2025**

<b>Donations in kind</b>	-	-
<b>Total</b>	<b>115,265,800</b>	<b>310,686,900</b>
<b>c) Expenses incurred on behalf of related party</b>		
<b>Payments of salaries and wages for xxx employees</b>	-	-
<b>Payments for goods and services for xxx</b>	-	-
<b>Total</b>		
<b>d) Key management compensation</b>		
<b>Directors' emoluments- Council expense</b>	8,044,490	11,801,210
<b>Compensation to key management</b>	5,724,000	477,000
<b>Total</b>	<b>13,768,490</b>	<b>12,278,210</b>

**30. Segment Information**

KSTVET did not operate in different geographical areas

**31. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Contingent Assets</b>		
<b>Insurance Reimbursements</b>	-	-
<b>Assets Arising from Determination Of Court Cases</b>	-	-
<b>Reimbursable Indemnities and Guarantees</b>	-	-
<b>Receivables From Other Government Entities</b>	-	-
<b>Others (Specify)</b>	-	-
<b>Total</b>	-	-

There were no contingent Assets during the year

**Contingent Liabilities**

Description	2024-2025	2023-2024
	Kshs	Kshs
<b>Contingent Liabilities</b>	-	-
<b>Court Case xx against the Entity</b>	-	-
<b>Bank Guarantees in Favour of Subsidiary</b>	-	-
<b>Contingent Liabilities arising from Contracts Including PPPs</b>	-	-

### Annual Report and Financial Statements For the year ended June 30, 2025

Others (Specify)	-	-
<b>Total</b>	-	-

There were contingent liabilities during the year

### 32. Capital Commitments

Capital Commitments	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Authorised for	-	-
Authorised and contracted for	-	-
<b>Total</b>	-	-

### 33. Events after the Reporting Period

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

### 34. Ultimate And Holding Entity

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

### 35. Currency

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

## Annual Report and Financial Statements For the year ended June 30, 2025

### Appendices

#### Appendix I: Progress on Follow Up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
<b>Other Matter</b>	Irregular Transfer of College Land	Following up to ensure ownership reverts to the College	Dr. Edwin Tarno - CEO	Not Resolved	F/Y 2025/2026

**Guidance Notes:**

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

**DR. EDWIN TARNO, PHD, HSC**  
**CEO/Secretary to the Governing Council**



## Annual Report and Financial Statements For the year ended June 30, 2025

### I. Appendix II: Projects implemented by KSTVET

KSTVET did not have any project during the year ended 30<sup>th</sup> June 2025.

### II. Appendix III: Status of Projects completion

No ongoing project

### III. Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
State Department for TVET	8 <sup>th</sup> Oct 2024	Recurrent	1,265,800	1,265,800	-	-	-	-	1,265,800
State Department for TVET	15 <sup>th</sup> Nov 2024	Recurrent	28,500,000	28,500,000	-	-	-	-	28,500,000
State Department for TVET	3 <sup>rd</sup> Feb 2025	Recurrent	28,500,000	28,500,000	-	-	-	-	28,500,000
State Department for TVET	7 <sup>th</sup> April 2025	Recurrent	28,500,000	28,500,000	-	-	-	-	28,500,000
State Department for TVET	2 <sup>nd</sup> July 2025	Recurrent	28,500,000	28,500,000			28,500,000		28,500,000
<b>Total</b>			<b>115,265,800</b>	<b>115,265,800</b>	-	-	<b>28,500,000</b>	-	<b>115,265,800</b>

### IV. Appendix V- Inter-Entity Confirmation Letter



**Annual Report and Financial Statements For the year ended June 30, 2025**

**Name of Transferring entity State Department of TVET**

**Name of Beneficiary entity: Kenya School of TVET**

**Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30<sup>th</sup> June 2024**

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
<b>Total</b>					

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

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

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

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

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

**V. Appendix VI: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
-	-	-	-	-	-	-	-	-	-



**Annual Report and Financial Statements For the year ended June 30, 2025**

**VI. Appendix VII: Reporting on Disaster Management Expenditure**

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