


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

|   |                      |
|---|----------------------|
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**OF**

**THE AUDITOR-GENERAL**

**ON**

**EMGWEN TECHNICAL TRAINING AND  
VOCATIONAL COLLEGE**

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



OFFICE OF THE AUDITOR GENERAL  
ELDORET REGIONAL OFFICE  
17 APR 2025  
**RECEIVED**  
P. O. Box 2774 - 30100, ELDORET



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## EMGWEN TECHNICAL TRAINING AND VOCATIONAL COLLEGE

### ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



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

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## 1. Acronyms and Definition of Key Terms

### A. Acronyms

|       |  |
|-------|--|
| BOG   | Board of Governors                                 |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards   |
| PFM   | Public Finance Management                          |
| PSASB | Public Sector Accounting Standards Board           |
| TTI   | Technical Training Institute                       |
| TTC   | Teacher Training College                           |
| TVC   | Technical Vocational College                       |

### B. Definition of Key Terms

**Fiduciary Management** - Members of Management directly entrusted with the entity's financial resources.

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

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**2. Key College Information and Management**

**(a) Background information**

The Institution was established under the TVET Act/2013 Act on 26<sup>th</sup> April 2021. The Emgwen Tvc is domiciled in Kenya. The institute is under the Ministry of Education.

**(b) Principal Activities**

The principal activity/mandate of the Emgwen Tvc is to train individuals to acquire technical skills relevant to industrial needs needed in the job market and dynamic technology.

**The vision**

“To be a centre of excellences in Technical and Technological advancement in the region and beyond”.

**The mission**

“To nature, develop and promote technological advancement through technical skills and produce creative and innovative trainees ready to transform the society”

**(c) Key Management**

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

- Board of Governors/ Council/ Management etc.
- Accounting officer/ Principal
- Management

**CORE STRATEGIC OBJECTIVES**

1. To nature, develop and promote technological advancement through technical skills and produce creative innovative trainees ready to transform the society.
2. To promote TVET access through the use of ICT, open and distance learning, this shall provide technical solutions to emerging issues.
3. To acquire training equipment and expand infrastructure which will enhance practical skills that are relevant to trainees and global emerging trends.
4. To collaborate with organisations in providing trainees with industrial exposure leading to enhanced technology that solves emerging issues.
5. To promote trainee welfare through provision of co-curriculum facilities, counselling and career services

**(d) Fiduciary Management**

The Emgwen Tvc's day-to-day management is under the following key organs: Board of Governors headed by the Board chairperson and its eight members and the Management headed by the Principal assisted by Deputy Principal, Registrar, Dean of Students, Procurement Officer and Finance officer.

| Designation         | Name               |
|---------------------|--------------------|
| Principal           | Tarus J. Barkebo   |
| Deputy principal    | Richard Kiprop     |
| Registrar (s)       | Oscar Kiprono      |
| Dean of students    | Lilian Gisemba     |
| Finance Officer     | Koin Isaac Kimutai |
| Procurement officer | Eliud Kipkoech     |

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**Key Entity Information and Management**

**(e) Fiduciary Oversight Arrangements**

- Audit and risk committee activities

|      |                      |             |
|------|----------------------|-------------|
| I.   | Mr Timothy Sawe      | Chairperson |
| II.  | Mr Charles Ikutwa    | Member      |
| III. | Mrs Angeline Kyololo | Member      |

- Finance and operations committee activities

|      |                         |             |
|------|-------------------------|-------------|
| I.   | Eng. Geoffrey Chepkwony | Chairperson |
| II.  | Mr Michael Rugut        | Member      |
| III. | Mr Walter Kibichiy      | Member      |
| IV.  | Ms Lensa Ongoro         | Member      |
| V.   | Mr Job Barkebo          | Member      |

- Academic committee activities

|      |                      |             |
|------|----------------------|-------------|
| I.   | Mr Michael Rugut     | Chairperson |
| II.  | Mr Timothy Sawe      | Member      |
| III. | Mrs Angeline Kyclolo | Member      |
| IV.  | Mr Charles Ikutwa    | Member      |
| V.   | Mr Job Barkebo       | Member      |

Other organs carrying out oversight include;

- i. State department vocational technical and training under the ministry of education
- ii. Public Procurement and oversight authority
- iii. Office of the auditor general
- iv. Technical Vocational Education and Training Authority (TVATA)

**(f) College Headquarters**

P.O. Box 345-30300  
Kapsabet ,Kenya

**(g) College Contacts**

Telephone: (254) 112-332525  
E-mail: eemgwentvc@gmail.com  
Website: www.engwentvc@.ac.ke

**(h) College Bankers**

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

(i) **Independent Auditors**

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




**Key Entity Information and Management (Continued)**



(j) **Principal Legal Adviser**

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




XXX TTI/TVC /National Polytechnic/Teacher Training College  
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3.The Board of Governors

| Member   | Details   |
|--|---|
| <p>1.</p>  <p>Dr.Tarus Benjamin Kipchumba (PhD)</p> | <p>BOG Chairperson:<br/>                     Doctor of Philosophy Degree in Business Management (Strategic Management); MSc. (Human Resource Development);MBA(Executive);BBM(Accounting); Diploma Business Management (KIM);CPA (K); CPS (K); CHRP (K) &amp; Governance Auditor</p> <p>Dr. Tarus has a stint of 29 Years' experience in Electoral Matters, Teaching, Administration and Finance. Currently at Moi Teaching and Referral Hospital as a Senior Director Administration and Finance</p> <p>Date of Birth: 19<sup>th</sup> September 1973</p> |
| <p>2.</p>  <p>Mr.MichaelRugut</p>                 | <p>BOG Member<br/>                     Mr. Michael Rugut<br/>                     County Director of TVET<br/>                     Nandi, Uasingishu and Elgeyo marakwet.</p>   |
| <p>3.</p>  <p>Ms. Grace Sugut</p>                 | <p>BOG Member<br/>                     Ms. Grace Sugut<br/>                     Date of Birth:<br/>                     Post graduate diploma in Education, Egerton University<br/>                     Bachelor of arts degree UON<br/>                     Masters , in Education technology and communication<br/>                     Experience and occupation<br/>                     19 years teaching experience<br/>                     10 years in county government. Positions held;</p>   |

|           |   |  |
|-----------|---|--|
|           |   | <p>Vice chair Public service board, Chief officer, public service and CECM Education.</p>  |
| <p>4.</p> |  <p>Mr. Charles Kisigwa Ikutwa</p> | <p>BOG Member<br/>                 Mr. Charles Kisigwa Ikutwa<br/>                 MA. Development studies; BSc. In Agriculture (Agricultural finances );Diploma in Range Management<br/>                 Date of Birth: 2nd July 1967.<br/>                 5 Years' experience as Technical Officer Range management Division- Ministry of Livestock Development.<br/>                 17 Years' experience as Farm Manager Ministry of Agriculture and Livestock Development.<br/>                 5 Years' experience as Consultancy on Training on Range Management, Farm Management, Livestock Production and Agriculture and Food Security.</p> |
| <p>5.</p> |  <p>Mr. Tarus J. Barkebo</p>      | <p>BOG Secretary<br/>                 Mr. Tarus J. Barkebo<br/>                 Holds a Bachelors Degree in Education Technology (power mechanic option) Dip in Technical Education, Diploma in Agricultural Engineering.<br/>                 He has served earlier in varous institutions in varous capacities, Industry, class tutor Technical Arways co- odinator,Assistant Registrar, Dean of students and Deputy Principal Administration. He has an experience of 26years in Training.</p>  |

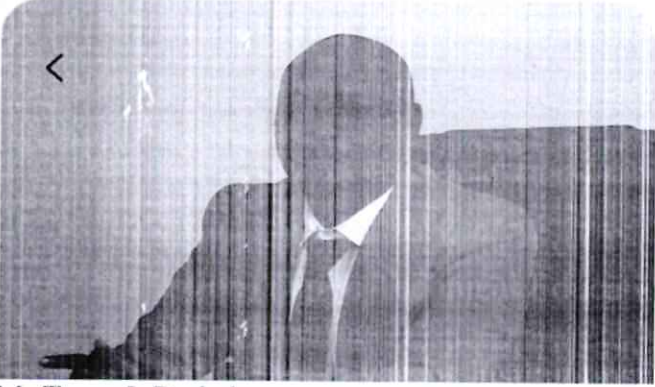

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|           |  |   |
|-----------|--|---|
| <p>6.</p> |  <p>Eng. Geoffrey Chepkwony</p>   | <p>BOG Member<br/>Eng. Geoffrey Chepkwony<br/>MBA in strategic management; BSc. Mechanical Engineering.<br/>Date of Birth: 31st August 1974.<br/>3 Years' experience in Ministry of water resources as assistant engineer (Mechanical Engineer)<br/>2 Years' experience as management trainee in K.T.D.A<br/>5 Years' experience as regional engineer in K.T.D.A.<br/>8 Years' experience as Factory Unit Manager Chebut Tea Factory.</p> |
| <p>7.</p> |  <p>Mrs. Lensa Atieno Ongoro</p> | <p>BOG Member<br/>Mrs. Lensa Atieno Ongoro<br/>BSc Business Management ;Diploma in Business Management<br/>Date of Birth: 11th May 1986.<br/>7 Years' experience as Sales and Marketing executive in Cables and Plastics ltd Mombasa.<br/>2 Years' experience as Sales and Marketing Executive in Leeway Commodities LTD Mombasa.<br/>5 Years' experiences as Sales and Marketing Executive in Polyester Plastiks LTD Nairobi.</p>        |
| <p>8.</p> |  <p>Mrs. Angeline Kyololo</p>   | <p>BOG Member<br/>Mrs. Angeline Kyololo<br/>MBA. Business Administration; BBM Purchasing and Supplies (Management Option); DPM. Business Management<br/>Date of Birth: 5<sup>th</sup> May 1968.<br/>20 Years' experience as Junior Bookshop Assistant in Moi University.<br/>5 Years' experience as Bookshop Assistant in Chepkoilel Campus.<br/>15 Years' Experience as Administrative Assistant in University of Eldoret.</p>           |

|            |   |  |
|------------|---|--|
| <p>9.</p>  |  <p>Eng. Walter Kibichiy</p>       | <p>BOG Member<br/> Eng. Walter Kibichiy<br/> BSc. Industrial and textile Engineering;<br/> Diploma mechanical Engineering (Plant Option)<br/> Date of birth: 25<sup>th</sup> March 1985.<br/> 2 Year experience manager at Equatorial oils.<br/> 6 Years' experience as Quality Control Engineer at Tarpo Industries Nairobi.<br/> 5. Year experience as Head of production at Tarpo Industries.</p>   |
| <p>10.</p> |  <p>Mr. Timothy Kipkorir Sawe</p> | <p>BOG Member<br/> Mr. Timothy Kipkorir Sawe<br/> Masters in Computer Sciences; Bachelors of sciences (Computer Sciences, Maths &amp; Physics)<br/> Date of Birth: 8<sup>TH</sup> October 1979<br/> 2 Year experience as soft-ware engineer in Dzine Crew Software company.<br/> 2 Year experience as lecturer in Institute of community Development and Research Centre (ICDRC)<br/> 13 Years' Experience as lecturer in Computer Science and Information Technology in Kabarak University.</p> |



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**4. Key Management Team**

|    | Member  | Position         |
|----|---|------------------|
| 1. |  <p>Mr. Tarus J. Barkebo<br/>           Holds a Bachelors Degree in Education Technology (power mechanic option) Dip in Technical Education, Diploma in Agricultural Engineering.<br/>           He has served earlier in varous institutions in varous capacities, Industry, class tutor Technical Arways co-ordinator, Assistant Registrar, Dean of students and Deputy Principal Administration.<br/>           He has an experience of 26years in Training.</p> | Principal        |
| 2. |  <p>Mr. Richard Kiprop<br/>           Mr. Richard Kiprop<br/>           MSc. Biotechnology; Bsc. Education.<br/>           17 Years training experience in Kaiboi, Eldoret Polytechnic, Chepsirei and Emgwen TVC<br/>           6 Years' experience as Deputy Principal in Chepsirei and Emgwen TVC.</p>   | Deputy Principal |
| 3. |   | Registrar        |

|    |  |                  |
|----|--|------------------|
|    |  <p>Mr. Oscar Kiprono<br/>Bsc. Education Technology.<br/>3 Years' Training experience in Emgwen Technical and Vocational College.<br/>3 Years' experience as Registrar Emgwen TVC.</p>                        |                  |
| 4. |  <p>Mrs. Lilian Nyanchama Gisemba<br/>Bsc. Education Technology.<br/>3. Years Training Experience in Emgwen Technical and Vocational College.<br/>2. Years' experience as Dean of Student in Emgwen TVC.</p> | Dean of Students |

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|    |   |                     |
|----|---|---------------------|
| 5. |  <p>CPA Koin Isaac Kimutai<br/>         Bsc. Commerce (Accounting), CPA (K)<br/>         Date of birth 1<sup>st</sup> September 1989<br/>         11 years' experience as a Bursar at Chepkoiyo Sec. School.</p>   | Finance Officer     |
| 6. |  <p>MR. Eliud Kipkoech<br/>         Diploma in Business Administration<br/>         2. Years Training Experience in Emgwen Technical and Vocational College<br/>         1. Year experience in procurement Office in Emgwen TVC<br/>         1. Year experience in Finance Office in Emgwen TVC</p> | Procurement officer |

**5. Chairman's Statement**

During the year the institute was able to register two more diploma courses in Business department with TVETA. This was in line with the commitment to the Institute Strategic goals and the Governments Bottom up Economic transformational agenda (BETA). The College also had a great support from the Nandi County Government as well as the Constituency development fund (NG-CDF) of Emgwen and Nandi Hills constituencies through sponsorship of a number of students in the College. The college still has some challenges including low trainees enrolment and insufficient funds and training Equipment and Materials. The institution does not have enough training, technical and essential service personnel however some of these issues are being addressed by the Ministry of Education through State Department of Vocational and Technical Training.

The following were key activities witnessed in the course of the year include, rigorous marketing of institute courses, development and establishment of nine (9) key Policies, internal audit and external audit of the Institute Financial operations.

The college had an improved student enrolment from 24 students to now 126 students.

The institute over the year got a tremendous support from the Nandi County government and the Emgwen Constituency Development Fund (NG-CDF) which has helped in enrolment of students.

.....

**Chairman of the Board**

**Emgwen TVC**

**Date:.....**

**Emgwen Technical and Vocational College**  
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**6. Report of the Principal**

During this year the College was able to develop its Strategic Plan for the year 2022 to 2027 and other policies including the Human resource policy, Risk Management policy, Fees Policy, Financial Policy, Industrial Attachment policy, Virtual Meetings Policy and Academic Policy.

There was a small increase of student enrolment to 126 where 124 were validated by KUCCPS. The students received a capitation of Ksh 4,500 this meant that there was a drop of capitation from the previous Ksh.7, 500.

The college also received great support from the County Government who supported our students (14) to a total of Ksh.114,000 whereas the Nandi Hills Constituency development fund supported seven (7) students at a total of Ksh.70,000.

The challenge of low enrolment has persisted and the management has engaged the local leadership especially the National Government Administrative Officers to go deeper to the communities to enable college get students. Further, the college management will endeavour to work with the NG-CDF Emgwen Constituency office together with the Nandi County Governor's office to get sponsorship for students hence increase enrolment.

**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 college's performance against predetermined objectives.

The College has 12 strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 22- FY 27 These strategic pillars are as follows:

Pillar/ theme/issue 1: Land

Pillar/ theme/ issue 2: Information Communication Technology

The college develops its annual work plans based on the above 12 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2022/23 period for its 12 strategic pillars, as indicated in the diagram below:

| Strategic Pillar | Objective                           | Key Performance Indicators   | Activities                                     | Achievements                           |
|------------------|-------------------------------------|--|--|--|
| Issue 1          | Land                                | To increase land acreage to facilitated in fracture development              | Availability of land                           | Purchase of land                       |
| Issue 2          | Information communication technical | To ensure digitalization of information                                      | Installed functional modern computer tables    | Installed functional computer lab      |
| Issue 3          | Quality assurance                   | To ensure quality adherence  | Quality standards                              | Quality improvement                    |
| Issue 4          | Gender and disability mainstreaming | To ensure that there is equity in gender and disability in all opportunities | Number of women and disable employed           | Women and disable empowerment          |
| Issue 5          | Community service                   | To be socially responsible to the community well being                       | Operational funded projects with the community | Enhance community relationship         |
| Issue 6          | Trainers and support welfare        | To promote growth and development of trainers and support staff well being   | Training programs                              | Enhance teaching capacity              |
| Issue 7          | Student welfare                     | To promote growth and development of student wellbeing                       | Student organisational and leadership          | Assisting students during bereavements |

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

|          |   |  |                             |  |
|----------|---|--|-----------------------------|--|
| Issue 8  | Water                                     | To ensure adequate supply and efficient usage of clean water | Availability of water       | Harvesting rain water and enhancing piped water supply |
| Issue 9  | Income generation and resource allocation | To provide sustainable project for institutional growth      | Tea plantation              | Tea production   |
| Issue 10 | Environmental                             | To provide eco- friendly environment                         | Number of planted trees     | Planted trees  |
| Issue 11 | Sports                                    | To promote sporting activities                               | Number of sports introduced | Introduce sports                                       |
| Issue 12 | Image of the institution                  | To brand institution for its uniqueness                      | Good informative billboards | Erect billboards posters for signage                   |

**8. Corporate Governance Statement**

In the financial year 2023/2024, the full board meeting held were seven sitting and ten committee meetings. The attendance by the members met quorum and the function of the board was well stipulated.

**Emgwen Technical and Vocational College**  
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**9. Management Discussion and Analysis**

**i. The institution operation and financial performance**

By the end of 2023/2024 financial year, the exchequer had disbursed capitation, grants and tuition scholarship totalling Ksh 4,574,867 for all quarters. Internally generated income from farm and computer packages was Ksh 320,803.30 and 65,812 respectively. Whereas recurrent expenditure stood at Ksh 10,078,272.35. Including depreciation expense of Ksh. 1,662,208.35

The total current assets at the end of financial year include cash and cash equivalent of Ksh. 67,952,963.27

**(ii) The College compliance with statutory requirements**

The college complies with its statutory obligations that include NSSF, NHIF and there is no pending obligation in regards to these obligations

**(iii) Key projects and Investment decisions the college has implemented**

There were no major projects undertaken in the college however the management embarked on improving on the

- (i) Tea production in the college farm.
- (ii) Purchase of training materials
- (iii) Training and capacity building of staff
- (iv) Purchase of student seats

The Management has done letters seeking donor support for ICT training materials and is awaiting for fruitful support from a donor soon.

**(iv) Risks and opportunity**

The opportunities include

- a) HELB, CDF and County Government bursary available
- b) Demand for technical training
- c) Increase in number of potential candidates clearing KCSE
- d) Partnering with industries and other Institutions
- e) Expanding courses offered in the college

**There are challenges that pose as a risk.** These are

- Inadequate training equipment
- Inadequate PSC trainers
- Delayed disbursement of GOK grants and capitation

**(v) Material arrears in statutory obligations**

There is no financial probity and serious governance issues affecting the college

## **10. Environmental And Sustainability Reporting Statement**

### **Sustainability strategy and profile**

The college continues to strive to ensure the college environmental sustainability through its annual financial reports to the various government agencies, greening reports sent to the ministry on quarterly basis. To ensure that the college gets the community support the college participates in improving some of the water lines existing in the area by engaging some of the students in repair and maintenance processes.

### **Environmental performance**

The college is yet to develop and establish an Environmental policy however the college has already established a nursery bed unit for establishing tree seedling to produce seedlings for the college and the community. The challenges here majorly is availability of water during the dry spell. This however can be mitigated by investing on water harvesting in the college.

### **Employee welfare**

The college has established a Human Resource and Management policy which is reviewed after every two years. The policy considers the employment of workers on the two thirds gender rule. The workers in the college are employed by the Board of Governors and others by the Public service commission (PSC). The college does a routine yearly public health inspection and has installed a lightening arrester and fire extinguishers as required by occupational safety and health act, 2007 (OSHA)

### **Market place practices-**

The organisation efforts to:

- a) Responsible competition practice.

The college has developed various policies example the Human Resource and the Finance Policy to guide on employment and fees payment. These has also helped to generate control tools that help in mitigating against corruption. The college has an approved procurement plan that has helped us ensure our suppliers are paid on time.

- b) Responsible Supply chain and supplier relations- explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

- c) Responsible marketing and advertisement

The Institute has attended exhibitions organised by the various Constituencies within the region.

- d) Product stewardship

The college has continued to improve staff abilities through various capacity Building workshops.

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**Corporate Social Responsibility / Community Engagements**

The college has been involved in visiting the neighbouring homes in times of bereavement and offer charitable cash to assist the affected families. The college has also joined together with the community in fencing of the water dam.

## **11. Report of the Council/Board of Governors**

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

### **Principal activities**

The principal activities of the college is training

### **Results**

The results of the college for the year ended June 30<sup>th</sup> are set out on page 1-7

### **Council/Board of Governors**

The members of the Board who served during the year are shown on page vii-x. During the year no director retired/ resigned and 10 board members was appointed with effect from 2 July 2021 date.

### **Auditors**

The Auditor General is responsible for the statutory audit of the college in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 a Certified Public Accountants were nominated by the Auditor General to carry out the audit of the college for the year ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....  
**Secretary of the Board/Council**

**Nairobi**

**Date:**

17/4/2025

**12. Statement of Board of Governors/ Council's Responsibilities**

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

The Council members are responsible for the preparation and presentation of the college financial statements, which give a true and fair view of the state of affairs of the college for and as at the end of the financial year (period) ended on June 30, 2023. 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 college, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the college, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

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

In preparing the financial statements, the Principal has assessed the college's ability to continue as a going concern

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


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

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**Approval of the financial statements**

The college's financial statements were approved by the Board on \_\_\_\_\_ 2024 and signed on its behalf by:

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

  
.....  
Name **TAVIS J. BARKLEY**  
Accounting Officer/Principal

# REPUBLIC OF KENYA

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



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

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

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### PREAMBLE

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

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

A Disclaimer of Opinion is issued when the Auditor-General is unable to obtain sufficient appropriate audit evidence to form an opinion on the financial statements. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Disclaimer of Opinion

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

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

financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### **Basis for Disclaimer of Opinion**

#### **1. Presentation, Accuracy and Disclosure of Financial Statements**

The financial statements for the year under review had no trial balance to support the balances and there were casting errors in the ledger books reviewed. Further, Management amended the initial financial statements but did not provide the respective journal vouchers to support the amendments.

In the circumstances, the accuracy and disclosure of financial statements could not be confirmed.

#### **2. Inaccuracies in the Statement of Financial Position**

Review of the financial statement revealed the following inaccuracies in the statement of financial position:

- i. The statement of financial position reflects a balance of Kshs.5,569,900 as current portion of receivables from exchange transactions. However, the respective Note 27(a) to the financial statements reflects nil balance resulting to a variance of Kshs.5,569,900.
- ii. The statement of financial position reflects a nil balance for receivables from non-exchange transactions. However, the respective Note 28 to the financial statements reflects a balance of Kshs.4,574,867 resulting to unexplained variance of Kshs.4,574,867.

In the circumstances, the accuracy of the financial statements could not be confirmed.

#### **3. Inaccuracy in the Statement of Cash Flows**

The statement of cash flows reflects a cash and cash equivalents balance of Kshs.159,494 as at 30 June, 2024 which however, excluded an opening balance of Kshs.1,350,113 as at 1 July, 2023. Similarly, the statement of cash flows reflects Kshs.5,999,895 as actual receipts in respect to rendering of services - fees from students. However, a reconciliation of the opening balances and closing balances of student data reported in the statement of financial position revealed unreconciled and unexplained variance of Kshs.6,043,688 as detailed here below:

| <b>Details</b>   | <b>Amount<br/>(Kshs.)</b> |
|--|---------------------------|
| Opening balance as at 1 July, 2023 as per Auditor-General's certificate for the year ended 30 June, 2022 | 3,310,105                 |
| Add Fees revenue earned during the year  | 14,303,378                |
| Less closing balance as at 30 June, 2023   | (5,569,900)               |
| Expected Fees revenue received during the year   | 12,043,583                |
| Balance reported in the statement of cash flows  | 5,999,895                 |
| <b>Variance</b>  | <b>6,043,688</b>          |

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.159,494 reflected in the statement of cash flows could not be confirmed.

#### **4. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts**

Review of the financial statement revealed the following inaccuracies in the statement of Comparison of Budget and Actual Amounts:

- i. The statement of Comparison of Budget and Actual Amounts reflects a balance of Kshs.9,273,339 as actual income whereas statement of cashflows reflects a balance of Kshs.10,961,378 resulting to unreconciled balance of Kshs.1,688,039.
- ii. The statement of Comparison of Budget and Actual Amounts reflects a balance of Kshs.8,416,530 as actual expenses whereas statement of cashflows reflects a balance of Kshs.8,077,667 resulting to unreconciled variance of Kshs.338,863.

In the circumstances, the accuracy of the statement of Comparison of Budget and Actual Amounts could not be confirmed.

#### **5. Unsupported Revenue from Exchange Transactions**

The statement of financial performance reflects total revenue from exchange transactions of Kshs.14,689,993. Included in the amount is Kshs.14,303,378, Kshs.320,803 and Kshs.65,812 relating to rendering of services, sale of goods and other income respectively which were not supported by detailed revenues schedules and ledgers.

In the circumstances, the accuracy and completeness of revenue from exchange transactions of Kshs.14,689,993 could not be confirmed.

#### **6. Unsupported Revenue from Non- Exchange Transactions**

The statement of financial performance reflects revenue from non-exchange transactions balance of Kshs.4,574,867 which includes Kshs.2,205,327, Kshs.2,000,000 and Kshs.369,540 relating to capitation grants, operational grants and tuition scholarships respectively. However, detailed schedules and workings supporting these amounts were not provided for review.

In the circumstances, the accuracy and completeness of revenue from non-exchange transactions of Kshs.4,574,867 could not be confirmed.

#### **7. Unsupported Use of Goods and Services**

The statement of financial performance reflects an amount of Kshs.5,768,259 in respect of use of goods and services, as detailed in Note 15 to the financial statements. However, the supporting schedules were not provided for audit verification.

In the circumstances, the accuracy and completeness of use of goods and services balance of Kshs.5,768,259 could not be confirmed.

#### **8. Unsupported Receivables Balances**

The statement of financial position reflects receivables from exchange transactions balances of Kshs.5,569,900 as disclosed in Note 27(a) to the financial statements. However, schedules and workings supporting this amount were not provided for review.

In the circumstances, the accuracy and completeness of receivables balance of Kshs.5,569,900 could not be confirmed.

#### **9. Unconfirmed Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs.159,494. However, the cash book was not up-dated with all the transactions for the period under review and bank reconciliation statements were not provided for audit verification.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.159,494 could not be confirmed.

#### **10. Anomalies in Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.62,067,963 which includes land and building of Kshs.9,194,000 and Kshs.51,296,655 respectively as disclosed in Note 31 to the financial statements. Examination of the documents provided for audit revealed the following anomalies;

- i. A valuation report for the assets or historical value of land and building was not provided, therefore it could not be established how the values were determined.
- ii. The institution does not maintain an accurate and up to date assets register to confirm the nature, number, physical location and fair value of the assets. In addition, the institution has not provided the current or historical value of building.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.62,067,963 could not be confirmed.

## **11. Lack of Land Ownership Documents**

The statement of financial position reflects property, plant and equipment balance of Kshs.62,067,963 as disclosed in Note 31 to the financial statements. This amount includes land approximately 2.6 hectares on which the College stands with an estimated historical value of Kshs.9,194,000. However, the land ownership document was not provided for review.

In the circumstances, the ownership of the College land worth Kshs.9,194,000 could not be confirmed.

## **12. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget of Kshs.14,769,288 and actual on a comparable basis of Kshs.9,273,339 resulting to an under-funding of Kshs.5,495,949 or 37% of the budget. Similarly, the College incurred an expenditure of Kshs.8,077,667 against actual receipt of Kshs.9,273,339 resulting to an under-expenditure of Kshs.1,195,672 or 13% of the actual receipt.

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

## **13. Late Submission of Financial Statements**

During the year under review, the College submitted its financial statements for audit on 27 December, 2024, being 3 months after the statutory deadline of 30 September. This was contrary to the requirements of Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required shall be submitted to the Auditor-General within 3 months after the end of the financial year to which it relates.

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

## **14. Lack of an Approved Human Resource Policy Manual, Career Progression Guidelines and Staff Establishment**

The statement of financial performance reflects employee costs of Kshs.1,540,012 as disclosed in Note 16 to the financial statements. However, Management has not prepared and approved a Human Resource Policy manual, career progression guidelines and staff establishment. This was contrary to Policy B1(1) of the Human Resource Policies and procedures Manual for the Public Service,2016, which states that every Ministry, State department shall prepare human resource plans. The plans shall be based on comprehensive job analysis and shall be reviewed every year to address emerging issues and needs. In the absence of an Approved Human Resource Policy Manual, Career Progression Guidelines and Staff Establishment, Management may not hire, promote and retain an optimal staff level and maximize staff production.

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

## **15. Use of Non- Prequalified Firms**

The College procured teaching and learning materials amounting to Kshs.1,836,346 and maintenance amount of Kshs.322,890 from various service providers as shown in Note 15 and 19 to the financial statements. However, a pre-qualified list of suppliers was not provided for audit verification. This was contrary to The Public Procurement and Asset Disposal Act, 2015, Section 57(1) which requires the head of the procurement function of a procuring entity to maintain and update lists of registered suppliers, contractors and consultants in the categories of goods, works or services according to its procurement needs.

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

## **16. Repair and Maintenance**

The statement of financial performance and as reflected at Note 19 to the financial statements reflects a balance of Kshs.245,264 in respect to repair and maintenance. However, the balance was not supported by any verifiable records and documents including detailed schedules, invoices and proof of actual payments. This was contrary to Section 104(1) of The Public Finance Management Regulations, 2015 that states that all receipts and payment vouchers of public monies shall be properly supported by pre-numbered receipts and payment vouchers and shall be supported by the appropriate authority and documentations.

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

## **17. Lack of Credit Policy and Aging Analysis for Trade and Other Payables**

The statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.1,286,000 which is in respect to borrowings from Kaiboi Technical Training Institute as disclosed in Note 35 to the financial statements. However, Management has not formulated a credit policy which has hampered effective management of creditors.

In the circumstances, management may not adequately manage payables.

## **18. Lack of Risk and Fraud Management Policies**

As previously reported, Management had not developed risk and fraud management policies, which include fraud prevention mechanism and system of risk management and internal control that builds robust business operations.

In the circumstances, potential threats to success of the College may not be identified and managed before they cause losses.

## **19. Non-maintenance of an Imprest Register**

During the year under review, the College did not maintain an imprest register for ease of managing and controlling of imprests. Therefore, it was not possible to ascertain imprests issued and outstanding imprest during the year. This was contrary to Regulation 93(4)(c)

of the Public Finance Management Regulations, 2015(c) which provides that the applicant should be recorded in the imprest register including the amount applied for.

In the circumstances, the effectiveness of internal controls in the management of imprests could not be confirmed.

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

### **Conclusion**

I do not express a conclusion on the Lawfulness and Effectiveness in the Use of Public Resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

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

### **Conclusion**

I do not express a conclusion on the Effectiveness of Internal Controls, Risk Management and Governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for my audit conclusion.

### **Responsibilities of Management and the Board of Governors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

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

**29 April, 2025**

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

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

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



|   |    |                      |                      |
|---|----|----------------------|----------------------|
| <b>Revenue from Non-Exchange transactions</b>     |    |                      |                      |
| Transfers from other National Government entities | 6  | 4,574,867            | 2,434,000            |
| Grants from donors and development partners       | 7  | -                    | -                    |
| Transfers from other levels of government         | 8  | -                    | -                    |
| Public contributions and donations                | 9  | -                    | -                    |
|   |    | <b>4,574,867</b>     | <b>2,434,000</b>     |
| <b>Revenue from Exchange transactions</b>         |    |                      |                      |
| Rendering of services- fees from students         | 10 | 14,303,378           | 10,752,240           |
| Sale of goods                                     | 11 | 320,803.30           | 253,301.5            |
| Rental revenue from facilities and equipment      | 12 | -                    | -                    |
| Finance income                                    | 13 | -                    | -                    |
| Other income computer packages                    | 14 | 65,812               | 148,100              |
|   |    | <b>14,689,993</b>    | <b>11,153,641.50</b> |
| <b>Total Revenue</b>                              |    | <b>19,264,860.30</b> | <b>13,587,641.50</b> |
| <b>Expenses</b>                                   |    |                      |                      |
| Use of goods and services                         | 15 | 5,768,259            | 2,532,242            |
| Employee costs                                    | 16 | 1,621,411            | 399,040              |
| Board Expenses                                    | 17 | 780,930              | 454,000              |
| Depreciation and amortization expense             | 18 | 1,662,208.35         | 1,656,947.53         |
| Repairs and maintenance                           | 19 | 245,464              | 39,040               |
| Contracted services                               | 20 | -                    | -                    |
| Grants and subsidies                              | 21 | -                    | -                    |
| Finance costs                                     | 22 | -                    | -                    |
|   |    | <b>10,078,272.35</b> | <b>5,081,269</b>     |
| <b>Other Gains/(Losses)</b>                       |    |                      |                      |
| Gain on sale of assets                            | 23 | 0                    | 0                    |
| Gain/ Loss on fair value of investments           | 24 | 0                    | 0                    |
| Impairment loss                                   | 25 | 0                    | 0                    |
|   |    | <b>0</b>             | <b>0</b>             |
| <b>Net surplus/(deficit) for the year</b>         |    | <b>9,186,587.95</b>  | <b>8,506,372.50</b>  |

The notes set out on pages 08 to 21 form an integral part of the Annual Financial Statements

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

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The Financial Statements set out on pages 01 to 07 were signed by:

|                                  |   |   |
|----------------------------------|---|---|
| .....                            |  |  |
| <b>Chairman of Council/Board</b> | <b>Finance Officer</b><br>ICPAK No 26473  | <b>Principal</b>  |
| <b>Date</b>                      | <b>Date</b> 12/4/2025   | <b>Date</b> 17/4/2025   |



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

| Description   | Notes | 2024-2024            | 2023-2023            |
|---|-------|----------------------|----------------------|
|   |       | Kwanzas              | Kwanzas              |
| <b>Assets</b>   |       |                      |                      |
| <b>Current Assets</b>                                     |       |                      |                      |
| Cash and cash equivalents                                 | 26    | 159,494.70           | 1,350,113.50         |
| Current portion of receivables from exchange transactions | 27(a) | 5,569,900.60         | 3,310,105            |
| Receivables from non-exchange transactions                | 28    | -                    | -                    |
| Inventories   | 29    | 155,500              | -                    |
| Investments in financial assets                           | 30    | -                    | -                    |
| <b>Total Current Assets</b>                               |       | <b>5,884,895.3</b>   | <b>4,460,218.50</b>  |
| <b>Non-Current Assets</b>                                 |       |                      |                      |
| Long term receivables from exchange transactions          | 27(b) | -                    | -                    |
| Investments   | 30    | -                    | -                    |
| Property, plant, and equipment                            | 31    | 62,067,963.27        | 62,963,132.02        |
| Intangible assets   | 32    | -                    | -                    |
| Investment property                                       | 33    | -                    | -                    |
| Biological Assets   | 34    | -                    | -                    |
| <b>Total Non-Current Assets</b>                           |       | <b>62,067,963.27</b> | <b>62,963,132.02</b> |
| <b>Total Assets</b>                                       |       | <b>67,952,858.57</b> | <b>67,423,350.52</b> |
| <b>Liabilities</b>  |       |                      |                      |
| <b>Current Liabilities</b>                                |       |                      |                      |
| Trade and other payables from exchange transactions       | 35    | 1,286,000            | 1,483,862            |
| Refundable deposits from customers                        | 36    | 41,200               | 40,800               |
| Current provisions  | 37    | -                    | -                    |
| Finance lease obligation                                  | 38    | -                    | -                    |
| Deferred income   | 39    | -                    | -                    |
| Employee benefit obligation                               | 40    | -                    | -                    |
| Payments received in advance                              | 41    | -                    | -                    |
| Current portion of borrowings                             | 43    | -                    | -                    |
| Social Benefits   | 45    | -                    | -                    |
| <b>Total Current Liabilities</b>                          |       | <b>1,327,200</b>     | <b>1,524,662</b>     |

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

|   | Notes | 2023-2024            | 2022-2023            |
|---|-------|----------------------|----------------------|
| <b>Non-Current Liabilities</b>          |       |                      |                      |
| Finance lease obligation                | 38    | -                    | -                    |
| Deferred income                         | 39    | -                    | -                    |
| Non-Current Employee Benefit Obligation | 40    | -                    | -                    |
| Non-Current Provisions                  | 42    | -                    | -                    |
| Non- Current Borrowings                 | 43    | -                    | -                    |
| Service Concession Liability            | 44    | -                    | -                    |
| Social benefits                         | 45    | -                    | -                    |
| <b>Total non- current liabilities</b>   |       | <b>1,327,200</b>     | <b>1,524,662</b>     |
| <b>Total Liabilities</b>                |       | <b>1,327,200</b>     | <b>1,524,562</b>     |
| <b>Net Assets</b>                       |       |                      |                      |
| Revaluation Reserves                    |       | <b>67,952,858.57</b> | <b>65,898,688.52</b> |
| Accumulated Surplus                     |       | 9,86,587.95          | 8,506,372            |
| Capital Fund                            |       | 58,766,270.62        | 57,392,316.52        |
| <b>Total Net Assets and Liabilities</b> |       | <b>67,952,858.57</b> | <b>65,898,688.52</b> |

The Financial Statements set out on pages 01 to 07 were signed by:

|                                  |   |   |
|----------------------------------|---|---|
| .....                            |  |  |
| <b>Chairman of Council/Board</b> | <b>Finance Officer</b>  | <b>Principal</b>  |
|                                  | ICPAK No 26477  |   |
| <b>Date</b>                      | <b>Date</b> 17/4/2025   | <b>Date</b> 17/4/2025   |

EMGWEN Technical and Vocational College  
 Annual Report and Financial Statements for the year ended 30th June 2024  
 16. Statement of Changes in Net Asset For The Year Ended 30 June 2024

| Description  | Revaluation Reserve | Accumulated Fund | Capital Grants/Fund | Total         |
|--|---------------------|------------------|---------------------|---------------|
| <b>At July 1, 2023</b>   |                     |                  | 64,433,223          |               |
| Revaluation gain   | -                   | -                | -                   | -             |
| Surplus/(deficit) for the year   | -                   | -                | -                   |               |
| Capital grants received during the year                                      | -                   | -                | -                   |               |
| Transfer of depreciation/amortisation from capital fund to Retained earnings | -                   | -                | -                   |               |
| <b>At June 30, 2023</b>  |                     | 8,506,372.50     | 64,433,223          | 72,939,595.50 |
| <b>At July 1, 2024</b>   |                     | 8,506,372.50     | 64,433,223          | 72,939,595.50 |
| Revaluation gain   | -                   | -                | -                   |               |
| Surplus/(deficit) for the year   | -                   | 9,186,587.95     | -                   | 9,186,587.95  |
| Capital grants received during the year                                      | -                   | -                | -                   |               |
| Transfer of depreciation/amortisation from capital fund to Retained earnings | -                   | -                | -                   |               |
| <b>At June 30, 2024</b>  |                     | 17,692,960.45    | 64,433,223          | 82,126,183.45 |

EMGWEN Technical and Vocational College  
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17. Statement of Cash Flows For The Year Ended 30 June 2024

| Description  | Note | 2023-2024            | 2022-2023            |
|--|------|----------------------|----------------------|
|  |      | Kes                  | Kes                  |
| <b>Cash flows from operating activities</b>                  |      |                      |                      |
| <b>Receipts</b>  |      |                      |                      |
| Transfers from other National Government entities            |      | 4,574,867            | 2,434,000            |
| Grants from donors and development partners                  |      | -                    | -                    |
| Transfers from other levels of government                    |      | -                    | -                    |
| Public contributions and donations                           |      | -                    | -                    |
| Rendering of services- fees from students                    |      | 5,999,895.82         | 5,557,955            |
| Sale of goods  |      | 320,803.30           | 253,301.50           |
| Rental revenue from facilities and equipment                 |      | -                    | -                    |
| Finance income   |      | -                    | -                    |
| Miscellaneous income   |      | 65,812               | 148,100              |
| <b>Total Receipts</b>  |      | <b>10,961,378.12</b> | <b>8,393,356.50</b>  |
| <b>Payments</b>  |      |                      |                      |
| Use of goods and services                                    |      | 5,768,259            | 2,532,242            |
| Employee costs   |      | 1,621,411            | 399,250              |
| Board /Council Expenses                                      |      | 780,930              | 454,000              |
| Repairs and maintenance                                      |      | 245,464              | 39,040               |
| Contracted services  |      | -                    | -                    |
| Grants and subsidies   |      | -                    | -                    |
| <b>Total Payments</b>  |      | <b>8,416,530</b>     | <b>3,396,492</b>     |
| <b>Net Cash Flows from operating activities</b>              | 46   | <b>2,544,848.12</b>  | <b>4,996,864.50s</b> |
| <b>Cash flows from investing activities</b>                  |      |                      |                      |
| Purchase of property, plant, equipment and intangible assets |      | (667,040)            | (778,900)            |
| Proceeds from sale of property, plant and equipment          |      | -                    | -                    |
| <b>Net cash flows used in investing activities</b>           |      | <b>(667,040)</b>     | <b>(778,900)</b>     |
| <b>Cash flows from financing activities</b>                  |      |                      |                      |
| Proceeds From Borrowing                                      |      | -                    | -                    |
| Repayment Of Borrowings                                      |      | -                    | (778,900)            |
| <b>Net cash flows used in financing activities</b>           |      | <b>-</b>             | <b>(778,900)</b>     |
| <b>Net Increase/(Decrease) in Cash and Cash equivalents</b>  |      | <b>1,877,808.12</b>  |                      |
| Cash and Cash equivalents at 1 JULY                          | 26   |                      |                      |
| <b>Cash and Cash equivalents at 30 JUNE</b>                  | 26   | <b>159,494.70</b>    | <b>1,350,113.5</b>   |

EMGWEN Technical and Vocational College  
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.. Statement of Comparison of Budget Actual amounts For Year Ended 30 June 2024

| Description                                       | Initial Budget    | Amendments | Final Budget      | Actual              | Variance   | Utilization |
|---|-------------------|------------|-------------------|---------------------|------------|-------------|
|   | Kshs              | Kshs       | Kshs              | Kshs                | Kshs       | %           |
| <b>Revenue</b>                                    |                   |            |                   |                     |            |             |
| Transfers from other National Government entities | 2,000,000         | -          | 2,000,000         | 2,000,000           | -          | 100         |
| Grants from donors and development partners       | -                 | -          | -                 | -                   | -          | -           |
| Transfers from other levels of government         | -                 | -          | -                 | -                   | -          | -           |
| Public contributions and donations                | -                 | -          | -                 | -                   | -          | -           |
| Rendering of services- fees from students         | 11,369,288        | -          | 11,369,288        | 5,580,900           | 5,788,388  | 50.91       |
| Sale of goods                                     | 240,000           | -          | 240,000           | 320,803.30          | -80,503.30 | -33.33      |
| Rental revenue from facilities and equipment      | -                 | -          | -                 | -                   | -          | -           |
| Finance income                                    | -                 | -          | -                 | -                   | -          | -           |
| Other Income                                      | 160,000           | -          | 160,000           | 65,812              | 94,188     | 58.87       |
| NG-CDF  | 2,000,000         | -          | 2,000,000         | 1,305,824           | -          | -           |
| <b>Total Income</b>                               | <b>14,769,288</b> | <b>-</b>   | <b>14,769,288</b> | <b>9,273,339.30</b> |            |             |
| <b>Expenses</b>                                   |                   |            |                   |                     |            |             |
| Use of goods and services                         | 11,559,288        | -          | 11,559,288        | 5,675,326           | 5,883,962  | 50.10       |
| Employee costs                                    | 2,010,000         | -          | 2,010,000         | 1,621,411           | 388,600    | 19.33       |
| Board Expenses                                    | 1,200,000         | -          | 1,200,000         | 780,930             | 419,070    | 34.922      |
| Repairs and maintenance                           | -                 | -          | -                 | -                   | -          | -           |
| Contracted services                               | -                 | -          | -                 | -                   | -          | -           |
| Grants and subsidies                              | -                 | -          | -                 | -                   | -          | -           |
| Use of goods and services                         | -                 | -          | -                 | -                   | -          | -           |
| <b>Total Expenditure</b>                          | <b>14,769,288</b> | <b>-</b>   | <b>14,769,288</b> | <b>8,077,667</b>    |            |             |
| <b>Surplus For the Period</b>                     | <b>-</b>          | <b>-</b>   | <b>-</b>          |                     |            |             |
| <b>Capital Expenditure</b>                        | <b>-</b>          | <b>-</b>   | <b>-</b>          |                     |            |             |

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

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**19. Notes to the Financial Statements**

**1. General Information**

Emgwen College is established by and derives its authority and accountability from TVET 2015 Act. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The college's principal activity is to provide training Activities.

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

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

Notes to the Financial Statements

3. Adoption of New and Revised Standards

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2023.

| Standard   | Effective date and impact:  |
|--|---|
| IPSAS 41: Financial Instruments  | <p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an College's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an College's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> |
| IPSAS 42: Social Benefits  | <p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting College provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the College.</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the College's financial performance, financial position and cash flows.</li> </ul>   |
| Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments | <p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> </ul>   |

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

| Standard                    | Effective date and impact:   |
|-----------------------------|--|
|                             | <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>  |
| Other improvements to IPSAS | <p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39</i>: deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement.</b> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul> |

**ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

| Standard  | Effective date and impact:  |
|---|---|
| IPSAS 43  | <p><b>Applicable 1<sup>st</sup> January 2025</b></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 College.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>  |

**iii. Early adoption of standards**

The college did not early-adopt any new or amended standards in year 2023the college adopted.

4. Summary of Significant Accounting Policies

- a) Revenue recognition
- i) Revenue from non-exchange transactions

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the college and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

- ii) Revenue from exchange transactions

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

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

**Notes to the Financial Statements**

**Summary of Significant Accounting Policies**

**b) Budget information**

The original budget for FY 2023/2024 was approved by the Council or Board on 30<sup>th</sup> June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the college upon receiving the respective approvals to conclude the final budget. Accordingly, the college recorded additional appropriations of 15,333,000 on the FY 2023/2024 budget following the Council/ Board's approval. The college's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page .xx under section .xxx of these financial statements.

**c) Taxes**

**Current income tax**

The college is exempt from paying taxes as per schedule CAP 470 of the Parliament Act.

**Sales tax/ Value Added Tax**

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

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

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

Notes to the Financial Statements

Summary of Significant Accounting Policies

**d) Investment property**

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

**e) Property, plant and equipment**

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

**f) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the College. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The College also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the College will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the College. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

## **Notes to the Financial Statements**

### **Summary of Significant Accounting Policies**

#### **g) Intangible assets**

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

#### **h) Research and development costs**

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

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

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

#### **i) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The college does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one college and a financial liability or equity instrument of another college. At initial recognition, the college measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements

Summary of Significant Accounting Policies

**Financial assets**

**Classification**

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

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

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

**Notes to the Financial Statements**

**Summary of Significant Accounting Policies**

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

The college assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The college recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

**Financial liabilities**

**Classification**

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

**j) Inventories**

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

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

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

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

Notes to the Financial Statements

Summary of Significant Accounting Policies

**Inventories**

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

**k) Provisions**

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

**Contingent liabilities**

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

**Contingent assets**

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

**l) Social Benefits**

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

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

**Notes to the Financial Statements**

**Summary of Significant Accounting Policies**

**m) Nature and purpose of reserves**

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

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

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

**o) Employee benefits**

**Retirement benefit plans**

The College provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the college pays fixed contributions into a separate college (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**p) Foreign currency transactions**

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

**q) Borrowing costs**

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

**r) Related parties**

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

**Notes to the Financial Statements**

**Summary of Significant Accounting Policies**

**s) Service concession arrangements**

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

**t) Cash and cash equivalents**

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

**u) Comparative figures**

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

**v) Subsequent events**

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

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

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**Notes to the Financial Statements**

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

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

**Estimates and assumptions.**

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

**Useful lives and residual values**

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

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

**Provisions**

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.

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

Notes to the Financial Statements

6. Transfers from other National Government entities

| Description  | 2023-2024<br>KShs   | 2022-2023<br>KShs |
|--|---------------------|-------------------|
| <b>Unconditional Grants</b>                                |                     |                   |
| Capitation Grants  | 2,205,327.50        | 434,000           |
| Operational Grant  | 2,000,000           | 2,000,000         |
| Unconditional Development grants                           |                     | -                 |
| Other Grants- Tuition Scholarship                          | 369,539.50          |                   |
| <b>Total unconditional Grants</b>                          | <b>4,574,867.00</b> | <b>2,434,000</b>  |
| <b>Conditional Grants amortised/ recognised in revenue</b> | <b>-</b>            | <b>-</b>          |
| Library Grant  | -                   | -                 |
| Hostels Grant  | -                   | -                 |
| Administration Block Grant                                 | -                   | -                 |
| Laboratory Grant   | -                   | -                 |
| Learning Facilities Grant                                  | -                   | -                 |
| Other Organizational Grants                                | -                   | -                 |
| <b>Total Government Grants and Subsidies</b>               | <b>4,574,867.00</b> | <b>2,434,000</b>  |

(a) Transfers from other Government entities (Categorized)

| Name of the College Sending The Grant | Amount recognised to Statement of Financial performance<br>KShs | Amount deferred under deferred income<br>KShs | Amount recognised in capital fund<br>KShs | Total grant income during the year<br>KShs | 2021-2022<br>KShs |
|---------------------------------------|---|---|---|--|-------------------|
| State Department of                   | 4,574,867   |   |   | 4,574,867.00                               | 2,434,000         |
| Ministry                              |   |   |   | -  | -                 |
| <b>Total</b>                          | <b>4,574,867</b>  |   |   | <b>4,574,867.00</b>                        | <b>2,434,000</b>  |

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**7. Grants from Donors and Development Partners**

| Description                                     | 2023/24  | 2022/23  |
|---|----------|----------|
| JICA- Research Grant                            | -        | -        |
| World Bank Grants                               | -        | -        |
| In-Kind Donations                               | -        | -        |
| Donations transferred to revenue-conditions met | -        | -        |
| Other Grants (specify)                          | -        | -        |
| <b>Total Grants from Development Partners</b>   | <b>-</b> | <b>-</b> |

**(a) Reconciliations of grants from donors and development partners**

| Description  | 2023/24  | 2022/23  |
|--|----------|----------|
| <b>Balance unspent at beginning of year</b>          | <b>-</b> | <b>-</b> |
| Current year receipts                                | -        | -        |
| Conditions Met - Transferred to Revenue              | -        | -        |
| <b>Conditions Yet To Be Met - Remain Liabilities</b> | <b>-</b> | <b>-</b> |

**8. Transfers from Other Levels of Government**

| Description              | 2023/24  | 2022/23  |
|--------------------------|----------|----------|
| Transfer from County     | -        | -        |
| Transfer from University | -        | -        |
| Transfer from Institute  | -        | -        |
| <b>Total Transfers</b>   | <b>-</b> | <b>-</b> |

**9. Public Contributions and Donations**

| Description                              | 2023/24  | 2022/23  |
|--|----------|----------|
| Public Donations                         | -        | -        |
| Donations from Local Leadership          | -        | -        |
| Donations from Religious Institutions    | -        | -        |
| Donations from Alumni                    | -        | -        |
| Other Donations                          | -        | -        |
| <b>Total Donations and Contributions</b> | <b>-</b> | <b>-</b> |

Notes to the Financial Statements

10. Rendering of Services

| Description   | 2023-2024            | 2022-2023            |
|---|----------------------|----------------------|
|   | RM                   | RM                   |
| Tuition Fees  | 5,043,387.50         | 3,388,320            |
| PE  | 4,967,232.50         | 3,388,320            |
| EW&C  | 542517.50            | 362,000              |
| Activity Fees                                       | 603254               | 362,000              |
| LTT   | 537208               | 345,710              |
| Industrial Attachment Fees                          | 195000               | 80,000               |
| RMI   | 409128               | 181,000              |
| Medical fee   | 250400               | 108,600              |
| Examination Fees                                    | 1412050              | 1,437,490            |
| Library Fees  | -                    | -                    |
| SI  | 66000                | 70,000               |
| Registration Fees KUCCP                             | 198000               | 210,000              |
| Caution   | 79200                | 84,000               |
| <b>Total Revenue from The Rendering of Services</b> | <b>14,303,378.00</b> | <b>10,752,240.00</b> |

11. Sale of Goods

| Description                             | 2023-2024         | 2022-2023         |
|---|-------------------|-------------------|
|   | RM                | RM                |
|   | -                 | -                 |
| Sale of Books                           | -                 | -                 |
| Sale of Publications                    | -                 | -                 |
| Sale of Farm Produce                    | -                 | -                 |
| Cafeteria sales                         | -                 | -                 |
| Other sales (specify)                   | -                 | -                 |
| <b>Total Revenue from Sale of Goods</b> | <b>320,803.30</b> | <b>253,301.50</b> |

12. Rental revenue from facilities and equipment

| Description                      | 2023-2024 | 2022-2023 |
|----------------------------------|-----------|-----------|
|                                  | RM        | RM        |
| Hire of Facilities and Equipment | -         | -         |
| Contingent Rentals               | -         | -         |
| Operating Lease Revenue          | -         | -         |
| <b>Total</b>                     | <b>-</b>  | <b>-</b>  |

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**13. Finance Income**

| Description                         | 2023-2024 | 2022-2023 |
|-------------------------------------|-----------|-----------|
| Cash investments and fixed deposits | -         | -         |
| Interest income from treasury bills | -         | -         |
| Interest income from treasury bonds | -         | -         |
| Interest from outstanding debtors   | -         | -         |
| <b>Total finance income</b>         | -         | -         |
|                                     |           | -         |
|                                     |           | -         |

**14. Miscellaneous Income**

| Description                | 2023-2024 | 2022-2023 |
|----------------------------|-----------|-----------|
| Insurance recoveries       | -         | -         |
| Consultancy fees           | -         | -         |
| Income from sale of tender | -         | -         |
| Services concession income | -         | -         |
| Reimbursements and refunds | -         | -         |
| Graduation fees            | -         | -         |
| Bad debts recovered        | -         | -         |
| Income written back        | -         | -         |
| Miscellaneous income       | -         | -         |
| <b>Total other income</b>  | -         | -         |

Notes To the Financial Statements

15. Use of Goods and Services

| Description                           | 2023             | 2022             |
|---------------------------------------|------------------|------------------|
| Teaching and learning materials       | 1,523,246        | 860,330          |
| Industrial attachment costs           | 80,760           |                  |
| Electricity                           | 80,925           | 65,725           |
| Water                                 | -                | -                |
| Activity                              | 260,644          | -                |
| Professional and consultancy services | -                | -                |
| Application                           | 131,000          | -                |
| Advertising                           | 227,425          | 84,900           |
| Examination fees                      | 875,510          | 196,500          |
| Audit fees                            | 9,000            | -                |
| Computer training cost                | 17,137           | -                |
| Travelling and accommodation          | 1,059,940        | 621,190          |
| Student ID                            | 12,460           | -                |
| Cleaning Cost                         | 77,100           | -                |
| Legal expenses                        | -                | -                |
| Licenses and permits                  | -                | -                |
| Postage                               |                  |                  |
| Printing and stationery               | 329,410          | 212,336          |
| Hire charges                          | -                |                  |
| Rent expenses                         | -                |                  |
| Research and development              | 57,800           | 39,600           |
| Administrative Cost                   | 776,940          | 240,980          |
| Corporate Social Responsibility       | 8,500            | 102,739          |
| Farm Cost                             | 224,629          | 106,315          |
| Bank Charges                          | 15,833           | 12,627           |
| Telephone expenses                    | -                | -                |
| Training expenses                     | -                | -                |
| <b>Total good and services</b>        | <b>5,768,259</b> | <b>2,432,242</b> |

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Notes To the Financial Statements

16. Employee Costs

|   |                  |                |
|---|------------------|----------------|
| Salaries and wages  | 1,621,411        | 399,040        |
| Employee related costs - contributions to pensions and medical aids | -                | -              |
| Travel, motor car, accommodation, subsistence and other allowances  | -                | -              |
| Housing benefits and allowances                                     | -                | -              |
| Overtime payments   | -                | -              |
| Social contributions  | -                | -              |
| <b>Employee Costs</b>   | <b>1,621,411</b> | <b>399,040</b> |

17. Board Expenses

|                      |                |                |
|----------------------|----------------|----------------|
| Chairman's Honoraria | -              | -              |
| Directors Emoluments | -              | -              |
| Other Allowances     | 780,930        | 424,000        |
| Other Board Expenses | -              | -              |
| <b>Total</b>         | <b>780,930</b> | <b>424,000</b> |

18. Depreciation and Amortization expense

|  |  |                      |
|--|--|----------------------|
| Property, plant and equipment              |  | 1,653,023.364        |
| Intangible assets                          |  |                      |
| Investment property carried at cost        |  |                      |
| <b>Total depreciation and amortization</b> |  | <b>1,653,023.364</b> |

19. Repairs and Maintenance

|                                       |                |               |
|---------------------------------------|----------------|---------------|
| Property                              | 245,264        | 39,040        |
| Investment property – earning rentals | -              | -             |
| Equipment and machinery               | -              | -             |
| Vehicles                              | -              | -             |
| Furniture and fittings                | -              | -             |
| Computers and accessories             | -              | -             |
| <b>Total Repairs and Maintenance</b>  | <b>245,264</b> | <b>39,040</b> |

Notes To the Financial Statements

20. Contracted Services

| Description                      | 2023-2024 | 2022-2023 |
|----------------------------------|-----------|-----------|
| Actuarial valuations             | -         | -         |
| Investment valuations            | -         | -         |
| Property valuations              | -         | -         |
| Other (specify)                  | -         | -         |
| <b>Total contracted services</b> | -         | -         |

21. Grants and Subsidies

| Description                        | 2023-2024 | 2022-2023 |
|------------------------------------|-----------|-----------|
| Community Development              | -         | -         |
| Education Initiatives and Programs | -         | -         |
| Social Development                 | -         | -         |
| Social benefits expenses           | -         | -         |
| Community Trust                    | -         | -         |
| Sporting Bodies                    | -         | -         |
| <b>Total Grants and Subsidies</b>  | -         | -         |

22. Finance Costs

| Description                                  | 2023-2024 | 2022-2023 |
|--|-----------|-----------|
| Borrowings (Amortized Cost)*                 | -         | -         |
| Finance Leases (Amortized Cost)              | -         | -         |
| Unwinding of Discount from lease liabilities | -         | -         |
| Interest on Bank Overdrafts                  | -         | -         |
| Interest on Loans from Commercial Banks      | -         | -         |
| <b>Total Finance Costs</b>                   | -         | -         |

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**Notes To the Financial Statements**

**23. Gain On Sale of Assets**

| Description                         |   |   |
|-------------------------------------|---|---|
| Property, Plant and Equipment       | - | - |
| Intangible Assets                   | - | - |
| Other Assets not capitalised        | - | - |
| <b>Total Gain On Sale of Assets</b> | - | - |

**24. Gain/(loss) on Fair Value Investments**

| Description                                  |   |   |
|--|---|---|
| Fair value on equity investments             | - | - |
| Fair value arising from investment property  | - | - |
| Fair value arising from biological assets    | - | - |
| Fair value- other financial assets (specify) | - | - |
| <b>Total Gain</b>                            | - | - |

**25. Impairment Loss**

| Description                   |   |   |
|-------------------------------|---|---|
| Property, Plant and Equipment | - | - |
| Intangible Assets             | - | - |
| <b>Total Impairment Loss</b>  | - | - |

**26. Cash and Cash Equivalents**

| Description                            |                   |                    |
|--|-------------------|--------------------|
| Current Account                        | 159,494.70        | 1,350,113.5        |
| On - Call Deposits                     | -                 | -                  |
| Fixed Deposits Account                 | -                 | -                  |
| Staff Car Loan/ Mortgage               | -                 | -                  |
| Others (Specify)                       | -                 | -                  |
| <b>Total Cash and Cash Equivalents</b> | <b>159,494.70</b> | <b>1,350,113.5</b> |

Notes To The Financial Statements

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

| Financial Institution              | Account Number |                   |                    |
|------------------------------------|----------------|-------------------|--------------------|
| <b>a) Current Account</b>          |                |                   |                    |
| Kenya Commercial Bank              |                | 159,494.70        | 1,350,113.5        |
| Equity Bank, etc.                  |                |                   |                    |
| <b>Sub- Total</b>                  |                |                   |                    |
| <b>b) On - Call Deposits</b>       |                |                   |                    |
| Kenya Commercial Bank              |                |                   |                    |
| Equity Bank – etc.                 |                |                   |                    |
| <b>Sub- Total</b>                  |                |                   |                    |
| <b>c) Fixed Deposits Account</b>   |                |                   |                    |
| Kenya Commercial Bank              |                |                   |                    |
| Bank B                             |                |                   |                    |
| <b>Sub- Total</b>                  |                |                   |                    |
| <b>d) Staff Car Loan/ Mortgage</b> |                |                   |                    |
| Kenya Commercial Bank              |                |                   |                    |
| Bank B                             |                |                   |                    |
| <b>Sub- Total</b>                  |                |                   |                    |
| <b>e) Others(Specify)</b>          |                |                   |                    |
| Cash in Transit                    |                |                   |                    |
| Cash in Hand                       |                |                   |                    |
| Mobile Money account               |                |                   |                    |
| <b>Sub- Total</b>                  |                |                   |                    |
| <b>Grand Total</b>                 |                | <b>159,494.70</b> | <b>1,350,113.5</b> |

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**27. Receivables from Exchange transactions**

**27 (a) Current Receivables from Exchange transactions**

| Description                      | 2023-2024 | 2022-2023        |
|----------------------------------|-----------|------------------|
| <b>Current Receivables</b>       |           |                  |
| Student Debtors                  |           | 3,310,105        |
| Rent Debtors                     |           |                  |
| Consultancy Debtors              |           |                  |
| Other Exchange Debtors           |           |                  |
| Less: Impairment Allowance       |           |                  |
| <b>Total Current Receivables</b> |           | <b>3,310,105</b> |

**27 (b) Long- term Receivables from Exchange transactions**

| Description  | 2023-2024     | 2022-2023     |
|--|---------------|---------------|
| <b>Non-Current Receivables</b>                     |               |               |
| Refundable Deposits                                | 41,200        | 40,800        |
| Advance Payments                                   | -             | -             |
| Public Organizations                               | -             | -             |
| Less: Impairment Allowance                         | -             | -             |
| <b>Total</b>                                       | -             | -             |
| Current Portion Transferred To Current Receivables | -             | -             |
| <b>Total Non-Current Receivables</b>               | -             | -             |
| <b>Total Receivables</b>                           | <b>41,200</b> | <b>40,800</b> |

**27 (c) Ageing Analysis of Receivables from Exchange transactions**

| Description        | 2023-2024 |            |           |            |
|--------------------|-----------|------------|-----------|------------|
|                    | Kshs      |            | %         |            |
|                    | 2023-2024 | % of total | 2022-2023 | % of total |
| Less than 1 year   | -         | %          | -         | %          |
| Between 1- 2 years | -         | %          | -         | %          |
| Between 2-3 years  | -         | %          | -         | %          |
| Over 3 years       | -         | %          | -         | %          |
| <b>Total (a+b)</b> | -         | %          | -         | %          |

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

| Description                  | 2023-2024 | 2022-2023 |
|------------------------------|-----------|-----------|
|                              | Kshs      | Kshs      |
| At the beginning of the year | -         | -         |
| Provisions during the year   | -         | -         |
| Recovered during the year    | -         | -         |
| Write offs during the year   | -         | -         |
| At the end of the year       | -         | -         |

28. Receivables from Non-Exchange transactions

| Description                               | 2023-2024        | 2022-2023        |
|---|------------------|------------------|
|   | Kshs             | Kshs             |
| <b>Current Receivables</b>                |                  |                  |
| Capitation Grants*                        | 4,574,867        | 2,434,000        |
| Transfers from Other Govt. entities       | -                | -                |
| Undisbursed Donor Funds                   | -                | -                |
| Other Debtors (Non-Exchange Transactions) | -                | -                |
| Less: Impairment Allowance                | -                | -                |
| <b>Total Current Receivables</b>          | <b>4,574,867</b> | <b>2,434,000</b> |

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

| Description        | 2023-2024 |                | 2022-2023 |                |
|--------------------|-----------|----------------|-----------|----------------|
|                    | Kshs      | % of the total | Kshs      | % of the total |
| Less than 1 year   | -         | %              | -         | %              |
| Between 1- 2 years | -         | %              | -         | %              |
| Between 2-3 years  | -         | %              | -         | %              |
| Over 3 years       | -         | %              | -         | %              |
| <b>Total</b>       | -         | %              | -         | %              |

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

| Description                           | 2023-24 | 2022-23 |
|---------------------------------------|---------|---------|
| At the beginning of the year          | -       | -       |
| Additional provisions during the year | -       | -       |
| Recovered during the year             | -       | -       |
| Written off during the year           | -       | -       |
| At the end of the year                | -       | -       |

**29. Inventories**

| Description  | 2023-24        | 2022-23  |
|--|----------------|----------|
| Consumable stores  | 155,500        | -        |
| Maintenance stores   | -              | -        |
| Health Unit stores   | -              | -        |
| Electrical stores  | -              | -        |
| Cleaning Materials stores  | -              | -        |
| Catering stores  | -              | -        |
| Less: Impairment allowance   | -              | -        |
| <b>Total Inventories at lower of Cost and Net Realizable Value</b> | <b>155,500</b> | <b>-</b> |

Notes to the Financial Statements

30. Investments in financial assets

| Description   | 2023-2024 | 2022-2023 |
|---|-----------|-----------|
|   | Kshs      | Kshs      |
| <b>a) Investment in Treasury Bills and Bonds</b>        | -         | -         |
| <b>Financial Institution</b>                            | -         | -         |
| CBK   | -         | -         |
| CBK   | -         | -         |
| <b>Sub- Total</b>                                       | -         | -         |
| <b>b) Investment with Financial Institutions/ Banks</b> | -         | -         |
| Bank X  | -         | -         |
| Bank Y  | -         | -         |
| <b>Sub- Total</b>                                       | -         | -         |
| <b>c) Equity Investments</b>                            | -         | -         |
| Equity/ Shares in Company                               | -         | -         |
| <b>Sub- Total</b>                                       | -         | -         |
| <b>Grand Total</b>                                      | -         | -         |

(d) Shareholding in other entities

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

| Name of College where investment is held | No of Shares        |                       |                        | Nominal Value of Share | Fair Value of Shares | Fair Value of Shares |
|--|---------------------|-----------------------|------------------------|------------------------|----------------------|----------------------|
|  | Direct Shareholding | Indirect Shareholding | Effective Shareholding |                        | 2023-2024            | 2022-2023            |
|  | %                   | %                     | %                      | Kshs                   | Kshs                 | Kshs                 |
| College A                                | -                   | -                     | -                      | -                      | -                    | -                    |
| College B                                | -                   | -                     | -                      | -                      | -                    | -                    |
|  | -                   | -                     | -                      | -                      | -                    | -                    |

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31. Property, Plant and Equipment

|                                | Land<br>Kshs | Buildings<br>Kshs | Motor<br>vehicles<br>Kshs | Furniture and<br>fixtures<br>Kshs | Computers<br>Kshs | Plant and<br>equipment<br>Kshs | Capital<br>WIP<br>Kshs | Total<br>Kshs  |
|--------------------------------|--------------|-------------------|---------------------------|-----------------------------------|-------------------|--------------------------------|------------------------|----------------|
| At 1 July 2023                 | 9,194,000    | 52,611,954.15     | -                         | 676,060.47                        | 350,557.40        | 130,560                        | -                      | 62,063,132.02  |
| Additions                      | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| Disposals                      | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| Transfers/Adjustments          | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| At 30 <sup>th</sup> June 2023  | 9,194,000    | 52,611,954.15     | -                         | 676,060.47                        | 350,557.40        | 130,560                        | -                      | 62,063,132.02  |
| Additions                      | -            | 516,890           | -                         | -                                 | -                 | 150,150                        | -                      | 667,040        |
| Disposals                      | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| Transfer/Adjustments           | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| At 30 <sup>th</sup> June 2024  | 9,194,000    | 52,611,954.15     | -                         | 1,192,950.47                      | 350,557.40        | 380,710                        | -                      | 63,730,172.02  |
| Depreciation And<br>Impairment | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| At 1 Jun 2023                  | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| Depreciation                   | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| Disposals                      | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| Impairment                     | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| At 30 Jun 2023                 | 9,194,000    | 52,611,954.15     | -                         | 1,192,950.47                      | 350,557.40        | 380,710                        | -                      | 63,730,172.02  |
| Depreciation                   | -            | (1,315,298.85)    | -                         | (155,083.56)                      | (115,683.94)      | (76,142)                       | -                      | (1,662,208.35) |
| Disposals                      | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| Impairment                     | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| Transfer/Adjustment            | -            | -                 | -                         | -                                 | -                 | -                              | -                      | -              |
| At 30 <sup>th</sup> Jun 2024   | 91,194,000   | 51,296,655.30     | -                         | 1,037,866.91                      | 234,873.06        | 304,568                        | -                      | 62,067,963.27  |
| Net Book Values                |              |                   |                           |                                   |                   |                                |                        |                |
| At 30 <sup>th</sup> Jun 2023   | 9,194,000    | 52,611,954.15     | -                         | 1,192,950.47                      | 350,557.40        | 380,710                        | -                      | 63,730,172.02  |
| At 30 <sup>th</sup> Jun 2024   | 9,194,000    | 51,296,655.30     | -                         | 1,037,866.91                      | 234,873.06        | 304,568                        | -                      | 62,067,963.27  |
| Depreciation rate              | 0.00         | 0.025             | 0.25                      | 0.13                              | 0.33              | 0.20                           | 0.00                   |                |

**Notes to the Financial Statements**

**Valuation**

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

**31 (t) 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<br>Depreciation | NBV                  |
|---|----------------------|-----------------------------|----------------------|
|   | Kshs                 | Kshs                        | Kshs                 |
| Land                                      | 9,194,000            | -                           | 9,194,000            |
| Buildings                                 | 52,611,954.15        | 1,315,298.85                | 51,296,655.30        |
| Plant And Machinery                       | 380,710              | 76,142                      | 304,568              |
| Motor Vehicles including Motorcycles      | -                    | -                           | -                    |
| Computers and Related Equipment           | 350,557.40           | 115,683.94                  | 234,873.06           |
| Office Equipment, Furniture, And Fittings | 1,192,950.47         | 155,083.56                  | 1,037,866.91         |
| <b>Total</b>                              | <b>63,730,172.02</b> | <b>1,662,208.35</b>         | <b>62,067,963.27</b> |

**32. Intangible Assets**

| Description                        | 2023-24 | 2022-23 |
|------------------------------------|---------|---------|
|                                    | Kshs    | Kshs    |
| <b>Cost</b>                        |         |         |
| <b>At beginning of the year</b>    | -       | -       |
| Additions                          | -       | -       |
| <b>At end of the year</b>          | -       | -       |
| Additions-internal development     | -       | -       |
| <b>At end of the year</b>          | -       | -       |
| <b>Amortization and impairment</b> |         |         |
| <b>At beginning of the year</b>    | -       | -       |
| Amortization                       | -       | -       |
| <b>At end of the year</b>          | -       | -       |
| Impairment loss                    | -       | -       |
| <b>At end of the year</b>          | -       | -       |
| <b>NBV</b>                         | -       | -       |

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**33. Investment Property**

| Description  | 2023-2024 | 2022-2023 |
|--|-----------|-----------|
|  | KShs      | KShs      |
| At beginning of the year                             | -         | -         |
| Additions  | -         | -         |
| Disposal during the year                             | -         | -         |
| Depreciation   | -         | -         |
| Impairment   | -         | -         |
| Gain or loss on fair value- if fair value is elected | -         | -         |
| At end of the year                                   | -         | -         |

**34. Biological Assets**

| Description      | 2023-2024 | 2022-2023 |
|------------------|-----------|-----------|
|                  | KShs      | KShs      |
| Cattle           | -         | -         |
| Trees            | -         | -         |
| Others (Specify) | -         | -         |
| <b>Total</b>     | -         | -         |

**35. Trade and Other Payables**

| Description                           | 2023-2024        |                       | 2022-2023        |                       |
|---------------------------------------|------------------|-----------------------|------------------|-----------------------|
|                                       | KShs             | % of the Total        | KShs             | % of the Total        |
| Trade payables                        | 1,286,000        |                       | 197,862          |                       |
| Fees paid in advance                  | -                |                       | -                |                       |
| Salary deductions                     | -                |                       | -                |                       |
| Third-Party Payments                  | -                |                       | -                |                       |
| Other Payables                        | -                |                       | 1,286,000        |                       |
| <b>Total Trade and Other Payables</b> | <b>1,286,000</b> |                       | <b>1,483,862</b> |                       |
| <b>Ageing analysis:</b>               | <b>2023-2024</b> | <b>% of the Total</b> | <b>2022-2023</b> | <b>% of the Total</b> |
| Under one year                        | -                | %                     | -                | -                     |
| 1-2 years                             | -                | %                     | -                | -                     |
| 2-3 years                             | -                | %                     | -                | -                     |
| Over 3 years                          | -                | %                     | -                | -                     |
| <b>Total (to tie to totals above)</b> | <b>-</b>         | <b>%</b>              | <b>-</b>         | <b>-</b>              |

36. Refundable Deposits from Students

| Description                                    | 2023-2024        |                       | 2022-2023        |                       |
|--|------------------|-----------------------|------------------|-----------------------|
|  | Kshs             | Kshs                  | Kshs             | Kshs                  |
| Consumer deposits                              | -                | -                     | -                | -                     |
| Caution money                                  | 41,200           | -                     | 40,800           | -                     |
| Other refundable deposits                      | -                | -                     | -                | -                     |
| <b>Total Deposits</b>                          | <b>41,200</b>    | <b>-</b>              | <b>40,800</b>    | <b>-</b>              |
|  |                  |                       |                  |                       |
| <b>Ageing analysis:</b>                        | <b>2023-2024</b> | <b>% of the Total</b> | <b>2022-2023</b> | <b>% of the Total</b> |
| Under one year                                 | -                | %                     | -                | %                     |
| 1-2 years                                      | -                | %                     | -                | %                     |
| 2-3 years                                      | -                | %                     | -                | %                     |
| Over 3 years                                   | -                | %                     | -                | %                     |
| <b>Total (to tie to totals deposits above)</b> | <b>-</b>         | <b>%</b>              | <b>-</b>         | <b>%</b>              |

37. Current Provisions

| Description                                     | 2024     | 2023     | 2024     | 2023     | Total    |
|---|----------|----------|----------|----------|----------|
|   | Kshs     | Kshs     | Kshs     | Kshs     |          |
| <b>Balance at The Beginning of The Year</b>     | -        | -        | -        | -        | -        |
| Additional Provisions                           | -        | -        | -        | -        | -        |
| Provision Utilised                              | -        | -        | -        | -        | -        |
| Change Due To Discount And Time Value For Money | -        | -        | -        | -        | -        |
| Transfers From Non -Current Provisions          | -        | -        | -        | -        | -        |
| <b>Total Provisions</b>                         | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> |

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**38. Finance Lease Obligation**

| Description                          | 2023-2024 | 2022-2023 |
|--------------------------------------|-----------|-----------|
|                                      | KShs      | KShs      |
| <b>At the start of the year</b>      | -         | -         |
| Discount interest on Lease Liability | -         | -         |
| Paid during the year                 | -         | -         |
| <b>At end of the year</b>            | -         | -         |

**Maturity Analysis**

| Period                  | Amount |
|-------------------------|--------|
|                         | KShs   |
| Year 1                  | -      |
| Year 2                  | -      |
| Year 3                  | -      |
| Year 4                  | -      |
| Year 5 and Onwards      | -      |
| Less: Unearned Interest | -      |
| <b>Total</b>            | -      |

**Analysed as:**

| Description  | Amount |
|--------------|--------|
|              | KShs   |
| Current      | -      |
| Non- Current | -      |
| <b>Total</b> | -      |

**39. Deferred Income**

| Description                        | 2023-2024 | 2022-2023 |
|------------------------------------|-----------|-----------|
|                                    | KShs      | KShs      |
| National Government                | -         | -         |
| International Funding Bodies       | -         | -         |
| Public Contributions and Donations | -         | -         |
| <b>Total Deferred Income</b>       | -         | -         |

Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

| Description                   | National government grants | Teaching orders | Public contribution | Total |
|-------------------------------|----------------------------|-----------------|---------------------|-------|
|                               | Kshs                       | Kshs            | Kshs                | Kshs  |
| Balance brought forward       | -                          | -               | -                   | -     |
| Additions during the year     | -                          | -               | -                   | -     |
| Transfers to capital fund     | -                          | -               | -                   | -     |
| Transfers to income statement | -                          | -               | -                   | -     |
| Other transfers               | -                          | -               | -                   | -     |
| Balance carried forward       | -                          | -               | -                   | -     |

Analysed as:

| Description  | Amount |
|--------------|--------|
|              | Kshs   |
| Current      | -      |
| Non- Current | -      |
| <b>Total</b> | -      |

40. Employee Benefit Obligations

| Description                               | 2023-2024 | 2022-2023 |
|---|-----------|-----------|
|   | Kshs      | Kshs      |
| Current Benefit Obligation                | -         | -         |
| Non-Current Benefit Obligation            | -         | -         |
| <b>Total Employee Benefits Obligation</b> | -         | -S        |

**Retirement benefit Asset/ Liability**

The college operates a defined benefit scheme for all full-time employees from July 1, 2023. The scheme is administered by Emgwen Tvc while NSSF are the custodians of the scheme. The scheme is based on 0.06 percentage of salary of an employee at the time of retirement.

An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was yet to carried out as at values on this basis the present value of the. The principal assumptions used for the purposes of valuation are as follows:

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| Description                  | 2023-2024<br>KShs | 2022-2023<br>KShs |
|------------------------------|-------------------|-------------------|
| Discount Rates               | -                 | -                 |
| Future Salary Increases      | -                 | -                 |
| Future Pension Increases     | -                 | -                 |
| Mortality (Pre- Retirement)  | -                 | -                 |
| Mortality (Post- Retirement) | -                 | -                 |
| Withdrawals                  | -                 | -                 |
| Ill Health                   | -                 | -                 |
| Retirement                   | -                 | -                 |

**Recognition of Retirement Benefit Asset/ Liability**

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

| Description   | 2023-2024<br>KShs | 2022-2023<br>KShs |
|---|-------------------|-------------------|
| The return on defined plan assets                                       | -                 | -                 |
| Actuarial gains/ losses arising from changes in demographic assumptions | -                 | -                 |
| Actuarial Gains/ Losses Arising From changes In Financial Assumptions   | -                 | -                 |
| Actuarial gains and losses arising from experience adjustments          | -                 | -                 |
| Others  | -                 | -                 |
| Adjustments for restrictions on the defined benefit asset               | -                 | -                 |
| <b>Measurement of the net defined benefit liability (asset)</b>         | -                 | -                 |

- b) **Amounts recognised in the Statement of Financial Position**

| Description  | 2023-2024<br>KShs | 2022-2023<br>KShs |
|--|-------------------|-------------------|
| Present value of defined benefit obligations(a)                | -                 | -                 |
| Fair value of plan assets(b)                                   | -                 | -                 |
| Funded status(=a-b)  | -                 | -                 |
| Restrictions on asset recognised                               | -                 | -                 |
| Others   | -                 | -                 |
| Net asset or liability arising from defined benefit obligation | -                 | -                 |

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

**41. Payments received in advance.**

| Description              | 2023-2024        |                       | 2022-2023        |                       |
|--------------------------|------------------|-----------------------|------------------|-----------------------|
|                          | Kshs.            | Kshs.                 | Kshs.            | Kshs.                 |
| Fees received in advance | -                | -                     | -                | -                     |
| Others (Specify)         | -                | -                     | -                | -                     |
| Total                    | -                | -                     | -                | -                     |
|                          | -                | -                     | -                | -                     |
| <b>Ageing analysis:</b>  | <b>2023-2024</b> | <b>% of the Total</b> | <b>2022-2023</b> | <b>% of the Total</b> |
| Under one year           | -                | %                     | -                | %                     |
| 1-2 years                | -                | %                     | -                | %                     |
| 2-3 years                | -                | %                     | -                | %                     |
| Over 3 years             | -                | %                     | -                | %                     |
| <b>Total</b>             | <b>-</b>         | <b>%</b>              | <b>-</b>         | <b>%</b>              |

**42. Non-Current Provisions**

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

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**43. Borrowings**

| Description                                       | 2023-2024 | 2022-2023 |
|---|-----------|-----------|
|   | (KSh)     | (KSh)     |
| Balance at beginning of the year                  | -         | -         |
| External borrowings during the year               | -         | -         |
| Domestic borrowings during the year               | -         | -         |
| Repayments of external borrowings during the year | -         | -         |
| Repayments of domestic borrowings during the year | -         | -         |
| Balance at end of the year                        | -         | -         |

**43 a) Analysis of External and Domestic Borrowings**

| Description   | 2023-2024 | 2022-2023 |
|---|-----------|-----------|
|   | (KSh)     | (KSh)     |
| <b>External borrowings</b>                              |           |           |
| Dollar denominated loan from 'xx organization'          | -         | -         |
| Sterling pound denominated loan from 'yyy organization' | -         | -         |
| Euro denominated loan from 'zzz organization'           | -         | -         |
| <b>Domestic borrowings</b>                              |           |           |
| Kenya shilling loan                                     | -         | -         |
| <b>Total balance at end of the year</b>                 | -         | -         |

**43 b) Breakdown of Long and Short-Term Borrowings**

| Description                            | 2023-2024 | 2022-2023 |
|--|-----------|-----------|
|  | (KSh)     | (KSh)     |
| Short Term Borrowings(Current Portion) | -         | -         |
| Long Term Borrowings                   | -         | -         |
| <b>Total</b>                           | -         | -         |

44. Service Concession Arrangements

| Description  | 2023-2024 | 2022-2023 |
|--|-----------|-----------|
|  | KShs      | KShs      |
| Fair value of service concession assets recognized under PPE | -         | -         |
| Accumulated depreciation to date                             | -         | -         |
| Net carrying amount  | =         | =         |
| Service concession liability at beginning of the year        | -         | -         |
| Service concession revenue recognized                        | -         | -         |
| Service concession liability at end of the year              | =         | =         |

45. Social Benefit Liabilities

| Description                                    | 2023-2024 | 2022-2023 |
|--|-----------|-----------|
|  | KShs      | KShs      |
| Health social benefit scheme                   | -         | -         |
| Unemployment social benefit scheme             | -         | -         |
| Orphaned and vulnerable benefit scheme         | =         | =         |
| People Living with disabilities benefit scheme | -         | -         |
| Elderly social benefit scheme                  | -         | -         |
| Bursary social benefits                        | -         | -         |
| <b>Total</b>                                   |           |           |
| Current social benefits                        | -         | -         |
| Non-current social benefits                    | -         | -         |
| <b>Total (tie to totals above)</b>             | -         | -         |

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**Notes to the Financial Statements**

**46. Cash generated from operations.**

|  | 2023-24             | 2022-23             |
|--|---------------------|---------------------|
| <b>Adjusted for:</b>                           |                     |                     |
| Depreciation                                   | 1,662,208.35        | 1,656,947.53        |
| Non-Cash grants received                       | -                   | -                   |
| Contributed assets                             | -                   | -                   |
| Impairment                                     | -                   | -                   |
| Gains and Losses on Disposal of Assets         | -                   | -                   |
| Contribution to provisions                     | -                   | -                   |
| Contribution to impairment allowance           | -                   | -                   |
| Finance Income                                 | -                   | -                   |
| Finance Cost                                   | -                   | -                   |
| <b>Working Capital Adjustments</b>             |                     |                     |
| Increase in Inventory                          | -                   | -                   |
| Increase in Receivables                        | (2,568,021.62)      | (12,980)            |
| Increase in Deferred Income                    | -                   | -                   |
| Increase in Payables                           | 5,020,038           | 1,206,233           |
| Increase in Payments received in advance       | -                   | -                   |
| <b>Net Cash Flow from Operating Activities</b> | <b>4,114,224.73</b> | <b>2,850,205.53</b> |

**Notes to the Financial Statements (Continued)**

**47. Financial Risk Management**

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

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

**(i) Credit risk**

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

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

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

| Description                                | Total amount<br>Kshs | Full performing<br>Kshs | Past due<br>Kshs | Impaired<br>Kshs |
|--|----------------------|-------------------------|------------------|------------------|
| <b>At 30 June 2023</b>                     |                      |                         |                  |                  |
| Receivables from exchange transactions     | -                    | -                       | -                | -                |
| Receivables from non-exchange transactions | -                    | -                       | -                | -                |
| Bank balances                              | -                    | -                       | -                | -                |
| <b>Total</b>                               | -                    | -                       | -                | -                |
| <b>At 30 June 2024</b>                     |                      |                         |                  |                  |
| Receivables from exchange transactions     | -                    | -                       | -                | -                |
| Receivables from non-exchange transactions | -                    | -                       | -                | -                |
| Bank balances                              | -                    | -                       | -                | -                |
| <b>Total</b>                               | -                    | -                       | -                | -                |

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**Notes to the Financial Statements**  
**Financial risk management**

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

The college has significant concentration of credit risk on amounts due from Kaiboi TTI

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

**(ii) Liquidity risk management**

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

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

| Description                   | Up to 12 months<br>Kshs | Between 1-3 months<br>Kshs | Over 5 months<br>Kshs | Total<br>Kshs |
|-------------------------------|-------------------------|----------------------------|-----------------------|---------------|
| <b>At 30 June 2023</b>        |                         |                            |                       |               |
| Trade Payables                | -                       | -                          | -                     | -             |
| Current Portion Of Borrowings | -                       | -                          | -                     | -             |
| Provisions                    | -                       | -                          | -                     | -             |
| Deferred Income               | -                       | -                          | -                     | -             |
| Employee Benefit Obligation   | -                       | -                          | -                     | -             |
| <b>Total</b>                  | -                       | -                          | -                     | -             |
| <b>At 30 June 2024</b>        |                         |                            |                       |               |
| Trade Payables                | -                       | -                          | -                     | -             |
| Current Portion Of Borrowings | -                       | -                          | -                     | -             |
| Provisions                    | -                       | -                          | -                     | -             |
| Deferred Income               | -                       | -                          | -                     | -             |
| Employee Benefit Obligation   | -                       | -                          | -                     | -             |
| <b>Total</b>                  | -                       | -                          | -                     | -             |

**Notes to the Financial Statements**

**Financial risk management**

**(iii) Market risk**

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

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

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

**a) Foreign currency risk**

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

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

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

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**Notes to the Financial Statements**

**Financial risk management (continued)**

**Foreign currency sensitivity analysis**

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

|             | Change in<br>exchange rate | Effect on Profit<br>before tax | Effect on<br>equity |
|-------------|----------------------------|--------------------------------|---------------------|
|             | Kshs                       | Kshs                           | Kshs                |
| <b>20xx</b> |                            |                                |                     |
| Euro        | 10%                        | -                              | -                   |
| Usd         | 10%                        | -                              | -                   |
| <b>20xx</b> |                            |                                |                     |
| Euro        | 10%                        | -                              | -                   |
| Usd         | 10%                        | -                              | -                   |

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

Notes to the Financial Statements  
Financial risk management

iv) Capital Risk Management

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

| Description                                 | 2023-2024 | 2022-2023 |
|---|-----------|-----------|
|   | Kshs      | Kshs      |
| Revaluation Reserve                         | -         | -         |
| Retained Earnings                           | -         | -         |
| Capital Reserve                             | -         | -         |
| <b>Total Funds</b>                          | -         | -         |
| Total Borrowings                            | -         | -         |
| Less: Cash and Bank Balances                | -         | -         |
| Net Debt/(Excess Cash and Cash Equivalents) | -         | -         |
| <b>Gearing</b>                              | -         | -         |

48. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

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**Notes to the Financial Statements**

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

| Description  | 2024 | 2023 |
|--|------|------|
| <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   | -    | -    |
| <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 ( <i>specify</i> )                                | -    | -    |
| <b>Total</b>   | -    | -    |
| <b>b) Grants /Transfers from the Government</b>          |      |      |
| Grants from National Govt                                | -    | -    |
| Grants from County Government                            | -    | -    |
| Donations in Kind  | -    | -    |
| <b>Total</b>   | -    | -    |
| <b>c) Expenses incurred on behalf of related parties</b> |      |      |
| Payments of Salaries and Wages for Employees             | -    | -    |
| Payments for Goods and Services for                      | -    | -    |
| <b>Total</b>   | -    | -    |
| <b>d) Key Management Compensation</b>                    |      |      |
| Directors' emoluments                                    | -    | -    |
| Compensation to Key Management                           | -    | -    |
| <b>Total</b>   | -    | -    |

**49. Segment Information**

Notes to the Financial Statements

50. Contingent Assets and Contingent Liabilities

Contingent Assets

| Description                                      | 2023-2024<br>Kshs | 2022-2023<br>Kshs |
|--|-------------------|-------------------|
| <b>Contingent Assets</b>                         |                   |                   |
| Insurance Reimbursements                         | -                 | -                 |
| Assets arising from determination of Court Cases | -                 | -                 |
| Reimbursable Indemnities and Guarantees          | -                 | -                 |
| Others S   | -                 | -                 |
| <b>Total</b>                                     | -                 | -                 |

Contingent Liabilities

| Description  | 2023-2024<br>Kshs | 2022-2023<br>Kshs |
|--|-------------------|-------------------|
| <b>Contingent Liabilities</b>                                | -                 | -                 |
| Court Case Xxx against <i>(The College)</i>                  | -                 | -                 |
| Bank guarantees in favour of subsidiary                      | -                 | -                 |
| Contingent liabilities arising from Contracts including PPPs | -                 | -                 |
| Others <i>(Specify)</i>                                      | -                 | -                 |
| <b>Total</b>   | -                 | -                 |

51. Capital Commitments

| Capital Commitments           | 2023-2024<br>Kshs | 2022-2023<br>Kshs |
|-------------------------------|-------------------|-------------------|
| Authorised for                | -                 | -                 |
| Authorised and Contracted for | -                 | -                 |
| <b>Total</b>                  | -                 | -                 |

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**Notes to the Financial Statements**

**52. Events After The Reporting Period**

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

**53. Ultimate And Holding College**

The college is a State Corporation under the Ministry of Education Its ultimate parent is the Government of Kenya.

**54. Currency**

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

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**20. Appendices**

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

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

| No. on the external audit Report | Issue / Observations from Auditor  | Management comments                                   | Status   | Timeframe |
|----------------------------------|--|---|----------|-----------|
| 1                                | Presentation of financial statement  | This was corrected accordingly                        | Resolved | -         |
| 2                                | Unsupported use of goods and services  | This was resolved by availing the necessary documents | Resolved | -         |
| 3                                | Unsupported board expenses   | This was resolved by availing the necessary schedules | Resolved | -         |
| 4                                | Unconfirmed cash and cash equivalent   | This issue was resolved                               | Resolved | -         |
| 5                                | Unconfirmed student debtors  | Fee policy was developed and approved on 12/5/23      | Resolved | -         |
| 6                                | Inaccuracy of property plant and equipment   | in process of acquiring land title                    | Resolved | -         |
| 7                                | Lack of human resource manual, career progressive guidance and staff establishment | Was resolve   | Resolved | -         |
| 8                                | Failure to develop an annual working plan of the board.                            | An Almanac for board was dully prepared               | Resolved | -         |
| 9                                | Lack of credit policy  | The management to develop                             | Unsolved | 20/02/24  |

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 .....

**Name TAWIL J. BARKEBO.**  
**Accounting Officer**  
**Emgwen Technical and Vocational College**  
**Date**

**Appendix II: Projects Implemented by Emgwen**

**Projects**

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

| Project title | Project Name | Phase | Project Dates | Start | End | Completion % |
|---------------|--------------|-------|---------------|-------|-----|--------------|
| 1             | -            | -     | -             | -     | -   | -            |
| 2             | -            | -     | -             | -     | -   | -            |

**Status of Projects completion**

| Project | Total project cost | Total expended to date | Completion % to date | Budget | Actual | Source of fund |
|---------|--------------------|------------------------|----------------------|--------|--------|----------------|
| 1       | -                  | -                      | -                    | -      | -      | -              |
| 2       | -                  | -                      | -                    | -      | -      | -              |
| 3       | -                  | -                      | -                    | -      | -      | -              |

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**Appendix III- Inter-College Confirmation Letter**

The Ministry of Education wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 20xx as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

| Confirmation of amounts received by [Insert name of beneficiary College] as at 30 <sup>th</sup> June 20xx |                |   |                 |                       |  |                              |
|---|----------------|---|-----------------|-----------------------|--|------------------------------|
| Reference Number  | Date Disbursed | Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 <sup>th</sup> June 2024 |                 |                       | Amount Received by [Beneficiary College] (Kshs) as at 30 <sup>th</sup> June 2024 (E) | Differences (Kshs) (F)=(D-E) |
|   |                | Recurrent (A)   | Development (B) | Inter-Ministerial (C) |  |                              |
| MoE/DTE/CA9/35  | 11/07/2023     | 500,000   |                 |                       | 500,000  |                              |
| MoE/DTE/CA9/35  | 2/10/2023      | 500,000   |                 |                       | 941,000  |                              |
| MoE/DTE/CA9/36  | 18/01/2024     | 416,500   |                 |                       | 416,500  |                              |
| MoE/DTE/CA9/36  | 18/01/2024     | 500,000   |                 |                       | 916,000  |                              |
| MoE/DTE/CA9/36  | 5/02/2024      | 500,000   |                 |                       | 500,000  |                              |
| MoE/DTE/CA9/36  | 5/02/2024      | 476,000   |                 |                       |  |                              |
| MoE/DTE/CA9/36  | 27/02/2024     | 369,539.50  |                 |                       |  |                              |
| MoE/DTE/CA9/36  | 31/05/2024     | 371,827.50  |                 |                       |  |                              |
| <b>Total</b>  |                |   |                 |                       |  |                              |

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

**Head of Accountants department of beneficiary College:**

Name JARUS ISOMU KOIN Sign [Signature] Date 17/04/2025

**Appendix IV: Reporting of Climate Relevant Expenditures**

| Project Name | Project Description | Project Objectives | Project Activities |    |    |    |    | Source Of Funds | Implementing Partners |
|--------------|---------------------|--------------------|--------------------|----|----|----|----|-----------------|-----------------------|
|              |                     |                    |                    | Q1 | Q2 | Q3 | Q4 |                 |                       |
|              |                     |                    |                    |    |    |    |    |                 |                       |
|              |                     |                    |                    |    |    |    |    |                 |                       |
|              |                     |                    |                    |    |    |    |    |                 |                       |
|              |                     |                    |                    |    |    |    |    |                 |                       |
|              |                     |                    |                    |    |    |    |    |                 |                       |

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Appendix V: Reporting on Disaster Management Expenditure

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

21.