REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

KAMUKUNJI TECHNICAL AND VOCATIONAL COLLEGE

FOR THE YEAR ENDED 30 JUNE, 2024

TECHNICAL TRAINING FOR EMPLOYMENT CREATION

08 MAY 2025

KAMUKUNJI TECHNICAL AND VOCATIONAL COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2024

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

Table of Contents

Acronyms and Definition of Key Terms

A. Acronyms

BOM	Board Of Management
CSR	Corporate Social Responsibility
ECL	Expected Credit Level
FY	Financial Year
HELB	Higher Education Loan Board
HoD	Head Of Department
IEBC	Independent Electro Boundary Commission
ICT	Information Communication Technology
ICPAK	Institute Of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KCSE	Kenya Certificate of Secondary Education
KNEC	Kenya National Examination Council
KRA	Kenya Revenue Authority
KTVC	Kamukunji Technical and Vocational College
NBV	Net Book Value
NGAAF	National Government Affirmative Action Fund
NGCDF	National Government Constituency Development Fund
NITA	National Industrial Training Authority
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TVC	Technical Vocational College
TVET	Technical Vocational Education Training
MoE	Ministry Of Education
Fiduciary Management	Key management personnel who have financial responsibility in the college

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

Kamukunji Technical and Vocational College (KAMUKUNJI TVC) is a Technical, Vocational Education & Training (TVET) college under the Ministry of Education, State Department of Vocational and Technical Training. It is registered by the Technical, Vocational Education & Training Authority (TVETA) in line with the TVET Act 2013. It is located at 3rd Eastleigh Avenue next to Airbase Police Post, Kamukunji Sub-county in Nairobi County.

The college started operating in the year 2021 and currently has a student of population of 345 The college has a staff population of 31 staff comprising of 26 teaching staff and 5 support staff

(b) Principal Activities

Training competent human resource for Social Economic Development in Business, Science, Hairdressing, beauty Therapy and Hospitality.

Vision

To be a world class institution in quality technical vocational education, training and innovation

Mission

To equip trainees with; quality technical and vocational training for the global market through employable skills, research and innovation.

(c) Key Management

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

i. Principal /Accounting officer
ii. Deputy Principal-Administration affairs
iii. Deputy Principal-Academic affairs
iv. Registrar
v. Dean of Students
vi. Heads of Departments
vii. Heads of sections

(d) Fiduciary Management

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

SN.	Designation	Name
1.	Principal	Simon G Njoroge
2.	Deputy principal Administration affairs	Joan Jelimo Saina
3	Deputy principal Academic Affairs	Mary Nyiva Kaboro
4	Registrar	Joseph Obino Makwabe
5	Dean of students	Esther Kariuki Mbogo

SN.	Designation	Name
6	Head of Finance	Jared Opiyo Aketch

(e) Fiduciary Oversight Arrangements

Board of Governors

The functions of the Board of Governors shall include:

(a) overseeing the conduct of education and training in the institutions in accordance with the provisions of this Act and any other written law;
(b) promoting and maintaining standards, quality and relevance in education and training in the institutions in accordance with this Act and any other written law;
(c) administering and managing the property of the institutions;
(d) developing and implementing the institutions' strategic plan;
(e) preparing annual estimates of revenue and expenditure for the institution and incurring expenditure on behalf of the institutions;
(f) receiving, on behalf of the institution, fees, grants, subscriptions, donations, bequests or other moneys and to make disbursement to the institution or other bodies or persons;
(g) determining the fees payable and prescribing conditions under which fees may be remitted in part or in whole in accordance with the guidelines developed under the provisions of this Act;
(h) mobilizing resources for the institutions;

(a) developing and reviewing programmes for training and to make representations thereon to the Board;
(b) regulating the admission and exclusion of students from the institutions, subject to a qualifications framework and the provisions of this Act;
(c) approving collaboration or association with other institutions and industries in and outside Kenya subject to prior approval by the Board;
(d) recruiting and appointing trainers from among qualified professionals and practising trades persons in relevant sectors of industry;
(e) determining suitable terms and conditions of service for support staff, trainers and instructors and remunerating the staff of the institutions, in consultation with the Authority;
(f) making regulations governing organization, conduct and discipline of the staff and students;
(g) preparing comprehensive annual reports on all areas of their mandate, including education and training services and submit the same to the Board;
(h) providing for the welfare of the students and staff of the institutions;

(i) encouraging, nurturing and promoting democratic culture, dialogue and tolerance in the institutions; and

(j) discharging all other functions conferred upon it by this Act or any other written law.

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

Committees of the Board of Management

1. **Finance, Human Resource, Development, Education and Training**

Committee Activities

The Committee shall exercise all the powers of Board of Management (BOM) in financial matters except in relation to the items which are reserved to BOM in these Standing Orders, on which the Committee shall advise BOM.

Terms of Reference.

The role of the Committee shall be to monitor the financial status of the College on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

a) To monitor and facilitate the implementation of the College`s strategy with regard to financial matters.
b) To receive reports from the Chief Principal and the Finance Officer.
c) To monitor implementation of the strategic plan for the College.
d) To receive reports of the extent and condition of the College state including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
e) To consider the adequacy of the College state and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
f) To determine the fees and charges made for college services and facilities.
g) To supervise the financial administration of the College and make recommendations to BOG where appropriate.
h) To supervise the arrangements for safeguarding the College's assets.
i) To ensure the proper financial evaluation and control of projects.
j) To supervise the arrangements for investing the College's funds, including monitoring the performance of investments.
k) To ensure the appropriate exploitation of the College`s intellectual property.
l) To make recommendations to BOG on the financing of projects.
m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the College.
n) Provide academic leadership to Kamukunji TVC, through promotion of excellence in teaching and learning, and ensuring that Kamukunji TVC embraces a philosophy of quality enhancement and innovation.

o) Facilitate academic freedom and freedom of speech and ensure academic integrity within KTVC.
p) Ensure a culture of scholarship is developed, nurtured and embedded within KTVC.
q) Formulate, coordinate and review academic policy, procedures and guidelines within KTVC.
r) Monitor and regularly report on compliance with academic policy within Kamukunji TVC.
s) Advise the Board of Governors on the academic aspects of Kamukunji TVC's strategic, operational and risk management plans and foster disclosure on issues related to higher education and Kamukunji TVC's Vision and Goals.
t) Oversee the quality assurance of the academic activities of Kamukunji TVC, within the Kamukunji TVC Risk Management Framework.
u) Partner with the Audit and Risk Management Committee to identify, assess and monitor academic risks within the Kamukunji TVC Risk Management Framework.
v) Consider and make decisions on all aspects of the development and accreditation or re-accreditation of higher education courses, the admission of students, teaching, assessment and requirements for graduation, prizes, awards and scholarships.
w) Oversee the regular program of internal unit, course and school reviews within Kamukunji TVC.
x) Ensure that Kamukunji TVC engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in Kamukunji TVC's plans.
y) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.
z) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
aa) Consider and recommend on any matter referred to the it by the Board of Governors.
bb) In addition to such matters as are specifically referred to the Academic Board, the Academic Board may generate reports and recommendations to the Board of Directors, including recommending new courses for development.
cc) Undertake regular self-reviews of performance, and oversee reviews of performance of the Teaching and Learning committees, and any other sub committees of Academic Board.

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

2. **Audit and Risk Committee Activities**

Some detailed audit committee responsibilities include:

a) Ensuring that financial statements are understandable, transparent, and reliable.
b) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic.
c) Helping achieve an organization wide commitment to strong and effective internal controls, emanating from the tone at the top.
d) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.
e) Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the institution is a party.
f) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.
g) Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
h) Reviewing internal audit plans, reports, and significant findings.
i) Establishing a direct reporting relationship with the external auditors.

3. **Senior Management Activities**

The main purpose of the Senior Management Team is to:

(a) Ensure that Kamukunji TVC's BOM is able to take strategic decisions relating to Kamukunji TVC's activities.
(b) Provide leadership in communicating Kamukunji TVC's mission, values, plans and achievements effectively and consistently to BOM Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
(c) Be accountable for the development and implementation of Kamukunji TVC's strategic, corporate and business plans in line with the mission and values.
(d) Take a strategic overview of performance in all areas of Kamukunji TVC's activities.

Specifically, the Senior Management Team:

i. Makes recommendations to the BOM on the implementation and achievement of the BOM's Strategic Framework;
ii. Agrees Kamukunji TVC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Governors as appropriate.
iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

i. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of KAMUKUNJI TVC, making recommendations as appropriate to the Board of Governors and/or its relevant Committees;

ii. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;

iii. Oversees and monitors Kamukunji TVC's joint work with the other stakeholders

iv. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOM and/or its relevant Committees.

v. Leads all senior managers in motivating and developing KAMUKUNJI TVC staff to deliver the highest standards of performance and customer service.

(a) Government Oversight Activities

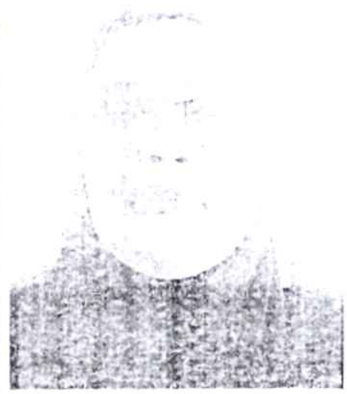
The Government of Kenya's Oversight role includes provision of capitation, grants, scholarships, loans and Development as well as provision of the regulatory framework. The audit of the Institutional activities is undertaken by the Office of the Auditor General

(a) Headquarters Eastleigh 3rd Avenue next to Airbase Police Post, Airbase Sub-location, Airbase Location, Eastleigh Division, Kamukunji Sub-county in Nairobi County	(b) Contacts P. O. Box 1626-00600, Nairobi. Tel. 0110099913 Email: kamukunjitvc@gmail.com Website: https://kamukunjitvc.ac.ke
(c) Kamukunji TVC Bankers KCB Bank Limited Account No.1273164997 Eastleigh Branch	
(d) Independent Auditors Auditor General Office of the Auditor General Anniversary Towers, University Way P.O. Box 30084 GOP 00100 Nairobi, Kenya	(e) Principal Legal Adviser The Attorney General State Law Office Harambee Avenue P.O. Box 40112 City Square 00200 Nairobi, Kenya

1. Board of Management

Governor	Title	Photograph	Date of birth, key qualifications and work experience	
1. Hassan Sheikh Mohamed	Chairman		Date of Birth	1981
			Qualification	MA Communication
			Experience	18 Yrs
2. Virginia Wangoi Kamonji Audit & Risk Committee	Member		Date of Birth	1973
			Qualification	Master of education
			Experience	25 Yrs
3. Capt. Franklyn Ndirangu Gatheca Finance, Development, Human Resource and Resource Mobilization Committee	Member		Date of Birth	1977
			Qualification	B.Com
			Experience	23yrs

Board of Management (Continued)

4. Benson Fredrick Omondi Otieno Audit & Risk Committee	Member		Date of Birth	1984
			Qualification	BBIT
			Experience	14 Yrs
5. Maryan A. Hassan Finance, Development, Human Resource and Resource Mobilization Comittee	Member		Date of Birth	1977
			Qualification	Master of Education Administration and Planning
			Experience	22yrs
6. Ruth A Owuor Finance, Development, Human Resource and Resource Mobilization Committee	Member		Date of Birth	1968
			Qualification	Master of Education
			Experience	29 Yrs
7. Lensa A. Ongoro Finance, Development, Human Resource and Resource Mobilization Committee	Member		Date of Birth	1986
			Qualification	Master of Supply Chain
			Experience	14 yrs

Board of Management (Continued)

8.	Chrispine Anari Momanyi Audit & Risk Committee	Member		Date of Birth	1987
				Qualification	Msc. Mechatronic
				Experience	12 Yrs
9.	Selina A.Osiako Finance, Development, Human Resource and Resource Mobilization Committee	Member		Date of Birth	1984
				Qualification	B.Com CPA
				Experience	13 Yrs
10.	Simon G Njoroge	Secretary		Date of Birth	1968
				Qualification	B. Ed. Technology
				Experience	28 Yrs

2. Key Management Team

Manager	Title	Photograph	Qualification & Responsibility	
Simon G Njoroge	Principal		Date of Birth	1968
			Qualification	B. Ed. Technology
			Experience	28 Yrs
Joan Jelimo Saina	Deputy Principal Administration		Date of Birth	1970
			Qualification	MSc
			Experience	27 Yrs
Mary Nyiva Kaboro	Deputy Principal Academic Affairs		Date of Birth	1973
			Qualification	Msc. Immunology
			Experience	26 Yrs
Joseph Makwabe	Registrar		Date of Birth	1975
			Qualification	B. Computer Science
			Experience	15 Yrs

Key Management Team (Continued)

Esther Kariuki	Dean of Students		Date of Birth	1977
			Qualification	Bsc
			Experience	13 Yrs
Jared Opiyo Aketch	Accountant		Date of Birth	1980
			Qualification	CPA
			Experience	3 Yrs

2. Chairman's Statement

The Government's policy aims and programs listed in Kenya's Vision 2030 depend heavily on the integration of Science, Technology and Innovation (ST&I) towards the realization of the Vision 2030 and increases the country's production processes. This is crucial given the needs for sustainable development, attaining of self-sufficiency, and global economic competitiveness. Therefore, building the required scientific infrastructure and acquiring technical and entrepreneurial skills are crucial steps in transforming Kenya into a middle level income Country.

Over time, the Government has prioritized technical and vocational education and training in its policies and investments (TVET). The Government is cognizant of the contribution this sector has made to the economic development of the County, particularly in terms of raising incomes, creating of jobs and reducing poverty. The main focus has been on ensuring fair access and raising the standard and effectiveness of all TVET programs. This is informed by the Knowledge that quality education and training accelerate economic growth, increase employment chances and create potential for revenue generation.
The TVC was handed over by the Murang'a University on 28th July 2020 So far it has attained a student population of **345 Students up from 258 in the previous year**

The Government has also played a great role by the provision of resources to acquire teaching and learning materials.

It is my pleasure to present the College's annual report and financial statement for the year ended 30th June 2024.The College's Board of Governors note with appreciation the continued support of the government and other stakeholders in the daily running of the College.

We thank the government for the new programmes on Competency Based Education and Training (CBET) aimed at matching skills in institution with industry needs. The BOG will work with industry and other partners to strategies in order to ensure that the skills offered Kamukunji TVC meet the industry needs.

Let me lastly thank the Government of Kenya, parents, guardians, suppliers and service providers for their trust, support and continued partnership and cooperation during the Financial Year 2023/2024

Hassan Sheikh Mohamed
CHAIRMAN BOARD OF GOVERNORS

3. REPORT OF THE PRINCIPAL

Globally, Science, Technology and Innovation (ST&I) is what propels rapid economic growth, societal advancement and the development of tools and solutions to tackle global problem. In this regard, the Government of Kenya has increased the emphasis on Science, Technology and Innovation and technical and vocational education policies as the foundation of Nations development efforts through the Ministry of Education (MoE)

Let me take this opportunity to present Kamukunji TVC financial statement for the FY 2023/2024 ending 30th June 2024 in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS).

With the support of the BOG we have put in place the necessary financial, procurement and internal control measures to ensure proper utilization of funds entrusted to us.

The TVC was handed over by the Murang'a University on 28th July 2020 So far it has attained a student population of **345 Students up from 258 in the previous year.**

The Government has also played a great role by the provision of resources to acquire teaching and learning materials.

I am humbled by the support from College's BOG, Management and all members of staff for their commitment and dedication to their work and effort that have seen KAMUKUNJI TVC move forward in attaining its vision and mission.

SIMON G NJOROGE
Principal/Secretary BOG

4. Statement of Performance against Predetermined Objectives

The Kamukunji TVC is a new institution which opened its doors to the public on February 2021. It has so far registered a student population of 345 as at the end of the Financial Year Under review.

Kamukunji Technical and Vocational College has *six (6)* strategic pillars /issues/ themes and objectives within current Strategic Plan for the FY 2022- FY 2027. These strategic pillars are as follows:

Pillar/ theme/issue 1: To enhance Access and Equity to TVET and higher education by 2027
Pillar/ theme/ issue 2: To strengthen and enhance KTVC infrastructure and image by 2027
Pillar/ theme/ issue 3: To strengthen and enhance KTVC occupational safety and health by 2027
Pillar/ theme/ issue 4: To integration of ICT in service delivery by 2027
Pillar/ theme/ issue 5: To enhance partnerships, resource mobilization for sustainability by 2027
Pillar/ theme/ issue 6: To promote Research and Innovations by 2027

Kamukunji TVC develops its annual work plans based on the above *six (6)* pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Kamukunji TVC achieved its performance targets set for the FY 2023/24 period for its *(6 No.)* strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1.				
To enhance Access and Equity to TVET and higher education.	Develop and/or implement market driven curriculum.	No. of Curriculum developed and/or implemented.	-Develop curriculum -Have the Curriculum approved. -Implement the curriculum.	
	Enter into partnerships and collaborations	No. of partnerships & collaborations		
	Market and publicize training programmes.	Adverts and brochures registered. No. of trainees	Diversified use of internet, social platforms.	
Pillar 2.				
Strategic Pillar	**Objective**	**Key Performance Indicators**	**Activities**	**Achievements**

To strengthen and enhance KTVC infrastructure and image	Repair, maintain and rehabilitate	Schedules, repairs register, completion certificates /job cards, plans and Bill of Quantities.		
	Review and implement the customer service charter.	-Reviewed service charter document. -Review form. -Minutes of review meeting.	-Meetings -Documentation -Printing. Display of the service charter.	
Pillar 4				
To integration of ICT in service delivery	Procure and install MIS	Functional MIS		
	Upgrade and maintain KTVC website	Upgraded website		
Pillar 5				
To enhance partnerships, resource mobilization for sustainability	Utilization of available land / develop master plan.	Land utility maximized		
	Development of income generating activities	Income from IGAs realized		Two (2) IGAs realized.
	Financial Management system automated	-Enhanced records -Timely reports.		
	Skills development for staffs	-Percentage of staff trained. -No. of trainings.		

CORPORATE GOVERNANCE STATEMENT

a) Good corporate governance is the key to integrity and corporations and central to the College stability
b) Corporate governance therefore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
c) The BOG follows principles of transparency and accountability in its stewarding College's affairs'
d) The role of the BOG is to ensure conformity by focusing and providing the Colleges strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
e) Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
f) Below are key features of the existing governance practices within the Colleges which are revised and improved from time to time

5. Management Discussion and Analysis

SECTION A: Operational and Financial Performance

Kamukunji Technical and Vocational College operational and financial performance

The College is a public Institution which relies on Government funds, and fees paid by students. It is not a profit making entity.
The college has not yet fully attained autonomy in the management of its resources. It currently operates under the mentorship of the Nairobi Technical Training Institute

SECTION B: Compliance with Statutory Requirements

Kamukunji Technical and Vocational College compliance with statutory requirements

Kamukunji Technical and Vocational College complies to deduction and remittance of statutory deductions such PAYE, NHIF, NSSF, NITA, AFFORDABLE HOUSING LEVY

SECTION C: Key Projects and Investment Decisions

Key projects and investment decisions Kamukunji Technical and Vocational College is planning/implementing

- Being a new institution, Kamukunji TVC has not initiated any development project.

SECTION D: Financial and Management Risks

Major risks facing the entity

- Inadequate funding by the ministry of education- on Scolarships and capitation/operation and development grants
- Poor fees payments resulting in fees arrears of Ksh.12,059,914.48
- Untimely marketing due to late funding
- Kamukunji TVC is a one block institution and due to limited capacity, it is not possible to increase the number of students as expected.
- The socio economic effects associated with the economic disruptions and the location of the college
- The college has so far not acquired title to the land on which it sits. However, the BOG has initiated the process of acquisition.

Due to the above factors the institution is facing challenges in meeting its operational obligation fully.

SECTION E: Material arrears in Statutory and Financial Obligations

Material arrears in statutory/financial obligations

1. **There are no material arrears/ obligations**

SECTION F: Governance

The entity's financial probity and serious governance issues

There were no serious governance issues reported during the year under review.

6. Environmental And Sustainability Reporting Statement

Kamukunji Technical and Vocational College exists to transform lives through equipping trainees with; quality technical and vocational training for the global market through employable skills, research and innovation.

Below is an outline of the College's policies and activities that enhance sustainability.

Sustainability Strategy and Profile

The Kamukunji TVC's strategy is anchored on MTP IV 2023-2027 that is underscored by: The Kenya Vision 2030, Bottom-Up Economic Transformation Agenda and Global and Regional Development Commitments, United Nations 2030 Agenda for sustainable development and the Africa Agenda 2063.

a. **Organisational Sustainability**

   This strategy focuses on achieving financial, environmental organisational and institutional sustainability within the College

b. **Financial sustainability**

   The College has diversified the sources of revenue which include; school fees, and production unit program.

c. **Environmental sustainability**

   The College embraces the use of environmentally friendly methods in waste disposal. The strategies are targeted at protecting and improving the environment.

d. **Organisational and institutional sustainability**

   Organisational and institutional sustainability aims at achieving and maintaining sustainability. This is addressed from various viewpoints that include community engagement, having in place a risk management framework and implementation of strategies to mitigate the defined risks.

Political and macroeconomic factors affecting sustainability priorities.

e. Climate Change and rampant weather patterns as manifested in drought and flooding, and rising water levels in lakes, culminating in food insecurity and escalated cost of living.

f. Russia-Ukraine conflict leading to disruption of global supply chains and skyrocketed prices of energy, food, and other commodities thereby triggering high inflation.

g. Exchange rate volatility created uncertainty in the economy, hence negatively affecting the country's imports, exports and Foreign Direct Investment as result of a weakened shilling against the dollar.

Environmental Performance

h. Greening TVET

   i. greening the institution

   ii. greening the curriculum

   iii. greening research

iv. greening the culture
v. greening the community

i. Solid Waste management
   i. disposal of wastes
   ii. policies on re-cycling
j. Emission control
   control on gases emitted to the environment
k. Adoption of Environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the College.

Employee Welfare

The College with the support of the Board Members is in the process of developing the following policies to guide its operations: -

a. Academic Policy
b. Human Resource Policy and Manual
c. Strategic Plan
d. ICT policy
e. Career progression (Scheme of service) guidelines for BOG Staff.
f. Finance policy

The College with the support of the Board Members is in the process of developing the following policies to guide its operations: -

i. Motivation Policy for both Staff and Students.
ii. Production Unit Policy.
iii. Gender Mainstreaming and Youth Empowerment Policy.
iv. Sexual harassment policy

Market place practices.

a. Anti –corruption
   i. Student fees: The College charges the student's fees as per the guidelines from the Ministry of Education. The Tuition fees together with other levies charged is Ksh. 56,420 as capped by the Ministry of Education.
   ii. The admission process is transparent.
b. Political involvement
   The College liaises with the area leadership for development of the college infrastructure.
c. Fair competition
   i. The College acquires the curriculum and syllabus from Kenya Institute of curriculum development (KICD), National Industrial Training Authority (NITA) and CDACC to ensure that what is offered at KTVC is similar to what is offered in other institutions.
   ii. Entry criteria for the program and the entry requirements for the students are clearly defined. i.e. Mean grade c- for Diploma students, D+ for Certificate students and KCSE

for artisan. This allows the College to have a fair competition with the universities who require students to have a mean grade of C+ to access university education.

d. Respect for competitors
   i. Mutual beneficial relationships: - The College undertakes benchmarking with other institutions so as to offer quality service to the trainees and to assist one another to better improve.
   ii. The students are placed by KUCCPS and the College ensures that when student seek for transfers from other institutions, there is correspondence from the institution that the student wishes to leave so as to ensure that there is mutual understanding.

Responsible Supply Chain and Supplier Relations

a. The College reserves 30% of its annual procurement to special groups (Youth, Women and Persons Living with Disability (PWDs)) which aligns with the Public Procurement and Assets disposal Act 2015. These procurement opportunities have thus created and continue to create diverse economic empowerment for special groups which are vulnerable, there by contributing to SDG Goal 1 which aims at eradicating poverty in all its dimensions.
b. In the FY2023/24, the College settled substantially 99% all its outstanding payments to suppliers within an average of thirty (30) days upon receipt of all supporting documents, including invoices, which is well within the statutory requirement of thirty (30) days. This ensured that liquidity levels were maintained by the businesses, and that they could meet their cash obligations as required.

Responsible marketing and advertisement

Efforts to maintain ethical marketing practices

a. The College openly advertises in the print and electronic media for all the courses offered in the institution so as to ensure transparency and integrity in the admission process.
b. The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the College.
c. The College ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake.
d. Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/ guardians and students to prepare for the admission.

Product stewardship

Efforts to safeguard consumer rights and interests

a. The College has a complaints procedure and complaints registers at various offices.
b. There is proactive disclosure of information by ensuring that information is given through the Colleges website, brochures, print and electronic advertisement

c. Requests by customers for information on admission and courses is done through e – mail, telephone call and letters. The College has ensured an active e-mail address info@kamukunjitvc.ac.ke and the telephone line 0110099913. The College has ensured an active website www.kamukunjitvc.ac.ke

Corporate Social Responsibility / Community Engagements.

The Kamukunji TVC being a relatively new institution with limited funding has not embarked on major activities of corporate social responsibility.

7. Report of the Board of Governors

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

Principal Activities

The principal activities of the institution are to train competent Human Resource for social economic development at TVET level.

Results

The results of Kamukunji Technical and Vocational College for the year ended 30 June, 2024 are set out on page 1

Board of Management

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

Auditors

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

By Order of the Board

....
SIMON G NJOROGE
Secretary of the Board

Date: 7/5/2025

Statement of Board of Management Responsibilities

Section 161 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act,2013) require the Board of Management to prepare financial statements in respect of Kamukunji Technical and Vocational 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 Board of Management are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the College. The Board of management are also responsible for safeguarding the assets of the College.

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

(i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;

(ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of 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

(iv) Making accounting estimates that are reasonable in the circumstances.

The Board of Management 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 required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act). The Board memb 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 30th, 2024, and of the College's financial position as at that date. The Board 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.

Nothing has come to the attention of the Board 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.

Approval of the financial statements

The College's financial statements were approved by the Board on 7th May 2025 and signed on its behalf by:

HASSAN SHEIKH MOHAMED	**SIMON G NJOROGE**
Chairman of the Board	Accounting Officer/Principal

REPUBLIC OF KENYA

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

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

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

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kamukunji Technical and Vocational College set out on pages 1 to 41, which comprise of the statement of 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 have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis of Qualified Opinion

1. Inaccuracies in the Financial Statements

1.1 Statement of Changes in Net Assets

The statement of changes in net assets reflects accumulated fund and revenue reserve as at 30 June, 2023 of Kshs.93,313,486 and Kshs.6,315,345 respectively. However, the 2022/2023 financial statements reflects amounts of Kshs.113,211,366 and Kshs.9,724,080 resulting to unexplained variances of Kshs.19,897,880 and 3,408,735 respectively. Further, the statement reflects deficit for the year of Kshs.(708,022) under accumulated funds which was not explained or supported.

1.2 Statement of Cash Flows

The statement of cash flows reflects net decrease in cash and cash equivalents amount of Kshs.1,174,767 against a recomputed increase of Kshs.5,380,904. Further, the statement does not include increase in receivables and decrease in payables of Kshs.1,134,848 and Kshs.1,760,568 respectively.

1.3 Variances in Comparative Balances

Review of the financial statements revealed variances between the comparative balances and the balances reflected in the 2022/2023 audited financial statements as analyzed below;

Item	Financial Statements Comparative Balances (Kshs.)	2022/2023 Financial Statements Balances (Kshs.)	Variance (Kshs.)
Rendering of Services	16,792,944	14,795,630	1,997,314
Use of Goods and Services	7,816,996	4,922,376	2,894,620
Cash and Cash Equivalents	3,393,446	3,266,130	127,316
Property, Plant and Equipment	91,320,267	113,584,522	22,264,255
Refundable Deposits from Customers	520,959	0	520,959
Payments Received in Advance	648,717	0	648,717

Further, the statement of financial performance reflects employee costs comparative balance of Kshs.2,068,458 while the corresponding Note 11 to the financial statements reflects an amount of Kshs.1,045,200 resulting to an unexplained variance of Kshs.1,023,258.

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

2. Misclassification of Expenditure

The statement of financial performance reflects use of goods and services amount of Kshs.11,413,011 as disclosed in Note 10 to the financial statements. However, review of the expenditure schedules revealed that an amount of Kshs.324,300 relating to extraneous allowance was charged under travelling and subsistence instead of employees' costs.

In the circumstances, the accuracy and completeness of use of goods and services amount of Kshs.11,413,011 could not be confirmed.

3. Unsupported Property, Plant and Equipment

The statement of financial position reflects a balance of Kshs.85,443,380 in respect to property, plant, and equipment as disclosed in Note 21 to the financial statements, which includes land valued at Nil amount. Management did not provide supporting documents including list of assets, costs, valuation reports and ownership records for land and buildings for audit review. Further, physical verification of assets revealed that most of the assets held by the College were not tagged for ease of identification.

In the circumstances, the accuracy, ownership, existence, completeness and valuation of the property, plant and equipment could not be confirmed.

4. Long Outstanding Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 18(a) and Note 18(b) to the financial statements reflects receivables from exchange transactions balance of

Kshs.12,059,915 which includes receivables totalling Kshs.7,998,822 that have been outstanding for over one (1) year. Further, the College did not provide evidence of measures being taken to ensure full recoverability of the receivables.

In the circumstances, the full recoverability of the receivables from exchange transactions balance of Kshs.12,059,915 could not be confirmed.

5. Unsupported Trade and Other Payables

The statement of financial position reflects a balance of Kshs.654,753 in respect to trade and other payables as disclosed in Note 23 to the financial statements. However, the invoices, receipts, contracts and Memorandum of Understanding were not provided for audit review.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.654,753 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.43,825,654 and Kshs.23,744,587 respectively, resulting to an under-funding of Kshs.20,081,067 or 46% of the budget. However, the College spent Kshs.16,685,940 against actual receipts of Kshs.23,744,587 resulting to an under-utilization of Kshs.7,058,647 or 30% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Allocation of Capitation

The Ministry allocation for all eligible trainees as per circular Ref No DTE/CAP/9/36(44) was set at Kshs.3,500. However, four (4) students were allocated more than the authorized amount as analysed below;

Registration Number	Amount (Kshs.)	Comments
DBM/2109/09/G	7,000	
DHR/2105/05	7,500	Trainee not in the list provided by the Ministry
CFB/2305/03/S	7,500	
AFB/2109/03/G	7,000	

In the circumstances, the propriety of the capitation allocation could not be confirmed.

2. Irregular Recruitment of Trainers

The statement of financial performance reflects an amount of Kshs.2,546,311 in respect to employee costs as disclosed in Note 11 to the financial statements. However, review of employee costs revealed that six (6) trainers were not registered by the Technical and Vocational Education and Training Authority. This was contrary to Section 23 of the Technical and Vocational Education and Training Act, 2013 and Regulation 16(1) of the Technical and Vocational Education and Training Regulations, 2015 which requires that all trainers to be registered by the Technical and Vocational Education and Training Authority.

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

3. Unbalanced Budget

The statement of comparison of budget and actual amounts reflects final receipts budget of Kshs.43,825,654 and expenditure budget of Kshs.21,948,020 resulting to an unbalanced budget by Kshs.21,877,634 contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that budget shall be balanced.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the College had not constituted an audit committee and did not have an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which requires the internal audit unit of a National Government entity to assess effectiveness of the Institute through an internal performance appraisal commenting on its effectiveness in the annual report to The National Treasury.

In the circumstances, the College did not benefit from the oversight role and advice from the audit committee and the internal audit function.

2. Lack of Risk Management Policy

During the year under review, the College did not have a Risk Management Policy, risk management strategies and a system of risk management to enable develop appropriate risk strategies in order to improve on effective and efficient management of public resources. This was contrary to The National Treasury Circular No.3/2009 of 23 February, 2009 which provided a broad policy framework for developing and implementing customized risk management strategies in public institutions.

In the circumstances, the College was exposed to undetected risks.

3. Lack of an Approved Staff Establishment

The statement of financial performance reflects an amount of Kshs.2,546,311 in respect to employee costs as disclosed in Note 11 to the financial statements. However, review of the human resource documents and files revealed that the College did not have an approved staff establishment in place that would indicate the optimal number of staff for each category, the Current number in the post and the variance.

In the circumstances, the College's operation within optimal level of staff establishment could not be confirmed.

4. Lack of Segregation of Duties

Review of operations at the College revealed that there was no adequate segregation of duties and the College did not have a Human Resource Department whose role is performed by the accountant. This was contrary to Regulation 110(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer for a National Government entity shall Institute appropriate access controls needed to minimize breaches of information confidentiality, data integrity and loss of business continuity; and, (2)(c) Access controls to be instituted shall include segregation of duties.

In the circumstances, Management is exposed to the risk of errors, fraud, and financial misstatements.

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

Responsibilities of Management and the Board of Governors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 May, 2025

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

	Notes	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Revenue from Non-Exchange transactions			
Transfers from other National Government entities	6	2,000,000	2,000,000
Transfers from other levels of government	6	3,292,500	2,709,000
	6	5,292,500	4,709,000
Revenue from Exchange transactions			
Rendering of services- fees from students	8	18,399,902	16,792,944
Sale of goods	9	52,185	19,665
Revenue from Exchange transactions		18,452,087	16,812,609
Total Revenue		23,744,587	21,521,609
Expenses			
Use of goods and services	10	11,413,011	7,816,996
Employee costs	11	2,546,311	2,068,458
Board Expenses	12	691,157	1,039,469
Depreciation and amortization expense	13	6,504,630	8,572,751
Repairs and maintenance	14	595,586	365,246
Contracted services	15	1,415,784	1,120,936
Finance costs	16	24,091	19,128
Total Expenses		23,190,570	21,002,984
Net surplus/(deficit) for the year		554,017	518,625

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

Hassan Sheikh Mohamed
Chairman of Board of Governors
Date: 7th may 2025

Simon G Njoroge
Principal
Date 7/5/2025

Praxidice Akinyi Wandera
Finance Officer
ICPAK No. 113523
Date 7/05/2025

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

Description	Notes	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	17	2,218,679.00	3,393,446
Current portion of receivables from exchange transactions	18(a)	10,950,915.00	7,998,822
Receivables from non-exchange transactions	0	0	0
Inventories	20	50,528.00	24,680
Total Current Assets		13,220,122	11,416,948
Non-Current Assets			
Long term receivables from exchange transactions	18(b)	1,109,000	0
Property, plant, and equipment	21	85,443,380	90,270,267
Intangible assets	22	1,050,000	1,050,000
Total Non-Current Assets		87,602,380	91,320,267
Total Assets (A)		100,822,502	102,737,215
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	23	654,753	1,938,708
Refundable deposits from customers	24	544,111	520,959
Payments received in advance	25	148,952	648,717
Total Current Liabilities		1,347,816	3,108,384
Non-Current Liabilities		-	-
Total non- current liabilities		-	-
Total Liabilities (B)		1,347,816	3,108,384
Net Assets (A-B)		99,474,686	99,628,831
Total Net Assets and Liabilities		99,474,686	99,628,831

Description	Notes	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Represented By:		-	-
Accumulated Surpluses		**92,605,324**	**93,313,486**
Revenue Reserves		6,869,362	6,315,345
Capital Fund		0	0
Net Assets		99,474,686	99,628,831

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

Hassan Sheikh Mohamed
Chairman of Board of Management

Date 7th may 2025

Praxidice A. Wandera
Finance Officer
ICPAK No. 113523

Date 7/05/2025

Simon G Njoroge
Principal

Date 7/5/2025

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

Description	Accumulated Fund	Revenue Reserve	Capital Fund	Total
At July 1, 2022*(previous year)*	-		-	-
Revaluation gain			-	-
Surplus/(deficit) for the year			-	-
Capital grants received during the year	-	-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings	-	-	-	-
At June 30, 2023	93,313,486	6,315,34 5	-	127,248,1 16
At July 1, 2023 *(current year)*	93,313,486	6,315,34 5	-	99,628,83 1
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	(708,022)	554,017	-	(154,145)
Capital grants received during the year		-	-	-
Transfer of depreciation/amortisation from capital fund to Retained earnings		-	-	-
At June 30, 2024	92,605,324	6,869,36 2	-	99,474,68 6

Note:

Accumulated Fund relates to the total items on the opening balance sheet.

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

Description	Note	FY 2023/2024 Kshs	FY 2022/2023 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other National Government entities	6	2,000,000	2,000,000
Transfers from other levels of government	6	3,292,500	2,709,000
Rendering of services- fees from students	8	18,399,902	16,792,944
Sale of goods	9	52,185	19,665
Total Receipts		**23,744,587**	**21,521,609**
Payments			
Use of goods and services	10	11,413,011	7,816,996
Employee costs	11	2,546,311	2,068,458
Board Expenses	12	691,157	1,039,469
Repairs and maintenance	14	595,586	365,246
Contracted services	15	1,415,784	1,120,936
Finance Costs	16	24,091	19,128
Total Payments		**16,685,940**	**12,430,233**
Net Cash Flows from operating activities		**7,058,647**	**9,091,376**
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-1,677,743	-822,450
Net cash flows used in investing activities		**-1,677,743**	**-822,450**
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment Of Borrowings		-	-
Net cash flows used in financing activities		-	
Net Increase/(Decrease) in Cash and Cash equivalents		-1,174,767	272,088
Cash and Cash equivalents at 1 JULY		**3,393,446**	**3,121,358**
Cash and Cash equivalents at 30 JUNE		**2,218,679.00**	**3,393,446**

14. Statement of Comparison of Budget & Actual amounts For Year Ended 30 June 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Utilization Difference
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from other National Government entities	2,000,000	0	2,000,000	2,000,000	0	0.0%
Transfers from other levels of government	0	0	0	3,292,500	-3,292,500	
Rendering of services- fees from students	41,761,254	0	41,761,254	18,399,902	23,361,352	55.9%
Sale of goods	64,400	0	64,400	52,185	12,215	19.0%
Rental revenue from facilities and equipment	0	0	0	0	0	
Total Income	43,825,654	0	43,825,654	23,744,587	20,081,067	45.8%
					0	
Expenses					0	
Use of goods and services	12,872,740	0	12,872,740	11,413,011	1,459,729	11.3%
Employee costs	4,237,280	0	4,237,280	2,546,311	1,690,969	39.9%
Board /Council Expenses	1,458,000	0	1,458,000	691,157	766,843	52.6%
Repairs and maintenance	2,100,000	0	2,100,000	595,586	1,504,414	71.6%
Contracted services	1,260,000	0	1,260,000	1,415,784	-155,784	-12.4%
Finance Costs	20,000	0	20,000	24,091	-4,091	-20.5%
Total Expenditure	21,948,020	0	21,948,020	16,685,940	5,262,080	24.0%
					0	
Surplus For the Period	21,877,634	0	21,877,634	7,058,647	14,818,987	67.7%
Capital Expenditure	0	0	0	0	0	

(Budget notes)

(a) The college received the capitation and Recurrent grants for the four quarters but the college had not budgeted for the capitation.
(b) The variance was due the Budget enrolment not being realized hence the reduction in income.
(c) The variance was due to decrease in sales.
(d) Board of management members did not meet as planned.
(e) The variance was due to the management resorting on cost cutting due to uncertainty of funds coming in.
(f) There were no major repairs during the financial year.
(g) The variance was due to changes in prices of goods and services.
(h) The variance was due to increase in bank charges.

15. Notes to the Financial Statements

1. General Information

Kamukunji Technical and Vocational College is established by and derives its authority and accountability from TVET Act of 2013 The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to train competent Human Resource for social economic development at TVET level. The College's strategic obligations revolve around promoting Technical Training through access to quality training.

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 judgment in the process of applying the *entity'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 *entity*. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	*Applicable 1st January 2025* The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. *No impact on Kamukunji TVC*
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	*Applicable 1st January 2025* The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. *No impact on Kamukunji TVC*
IPSAS 45: Property Plant and Equipment	*Applicable 1st January 2025* The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	*Applicable 1st January 2025* The objective of this standard was to improve measurement guidance across IPSAS by:

	i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47: Revenue	*Applicable 1st January 2026* This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. *State the expected impact of the standard to the Entity if relevant*
IPSAS 48: Transfer Expenses	*Applicable 1st January 2026* The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. *State the expected impact of the standard to the Entity if relevant*
IPSAS 49: Retirement Benefit Plans	*Applicable 1st January 2026* The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. *State the expected impact of the standard to the Entity if relevant*

iii. Early adoption of standards

Kamukunji Technical and Vocational College did not early adopt any new or amended standards in year 2023/24.

4. **Summary of Significant Accounting Policies**

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

b) Budget information

The original budget for FY 20203/2024 was approved by Board in ***May 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 entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity did not record additional appropriations of ***30th June 2024*** on the FY 2023/2024 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on 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 entity is exempt from paying taxes as per schedule *xxx* of the *xxx* Act.

Sales tax/ Value Added Tax

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

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

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

d) Investment property

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

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. 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 Entity 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 Entity 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 Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period 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. *Kamukunji TVC 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 entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity 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 entity 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 entity 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 entity 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.

Inventories (Continued)

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 Kamukunji Technical and Vocational College.

k) Provisions

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

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

Contingent assets

Kamukunji TVC does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of 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 entity recognises a social benefit as an expense for the social benefits scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Nature and purpose of reserves

Kamukunji TVC creates and maintains reserves in terms of specific requirements. Only revenue reserves are maintained by Kamukunji TVC

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

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

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

s) **Service concession arrangements**

The *Entity* 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 *Entity* 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 *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) **Cash and cash equivalents**

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

u) **Comparative figures**

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

v) **Subsequent events**

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the *Entity*.
- 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.

6. **Transfers from other National Government entities**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Unconditional Grants		
Capitation Grants	3,292,500.00	2,709,000
Operational Grant	2,000,000.00	2,000,000
Total unconditional Grants	**5,292,500.00**	**4,709,000**
Total Government Grants and Subsidies	**5,292,500.00**	**4,709,000**

The details of the reconciliation have been included under appendix III

(a) Reconciliations of grants from donors and development partners

7. Transfers from Other Levels of Government

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Transfer from NG-CDF	470,500	306,600
Transfer from Other Bursaries	1,011,002	139,708
Transfer from HELB	4,692,424	1,636,800
Total Transfers	**6,173,926**	**2,083,108**

This is the amount received from NG-CDF, HELB and other Bursaries such as the County and ward bursaries, NGAAF and Equity Foundation.

8. Rendering of Service

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Tuition fees	8,855,834.00	7,132,495.00
Personal Emoluments (PE)	2,798,572.00	2,684,312.00
Local Transport and Traveling (LT&T)	1,202,595.00	1,026,741.50
Electricity, Water and Conservancy (EW&C)	891,000.50	863,343.00
Repairs, Maintenance and Improvement (RMI)	865,356.00	483,678.00
Activity fees	1,358,614.50	707,108
Industrial Attachement Assessment fees	296,411.50	679,430
Student ID	91,000.00	79,500
Training materials for practical	259,500.00	609,345
KUCCPS placement fee	283,500.00	159,000
KNEC Examination registration fee	955,320.00	2,070260
KNEC/NITA Examination practical Materials	165,000.00	105,911
Damages and fine fees	48,398.00	14,950
REGISTRATION	182,000.00	176,871
TVETA fees	91,000.00	0
Insurance fee	47,000.00	0
TVET-CDACC Examination Fee	8,800.00	0
Total Revenue from rendering of services	**18,399,902**	**16,792,944**

This revenue relates to the fees invoiced to students

9. Sale of Goods

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Cafeteria sales	52,185.00	19,665
Total Revenue from Sale of Goods	**52,185.00**	**19,665**

This amount relate to the food items sold at the school

10. Use of Goods and Services

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Electricity	327,600.00	249,112
Water and sewerage	68,539.00	78,450
Operating costs	1,110.00	80,312
Telephone Expenses	210,394.00	139,249
Design and Printing	37,200.00	51,595
Internet	150,400.00	69,587
Insurance	90,416.00	60,542
Publicity and advertising	617,377.00	246,203
Bank charges	24,091.00	19,128
Audit, Consultancy and Training	84,965.00	277,500
Registration/ Statutory fees	549,015.00	176,871
Workshops, Seminars, trainings and team building	983,205.00	873,356
KNEC Examination Fees	1,164,520.00	1,179,190
MIS/Website	257,974.00	412,759
NEWSPAPERS	90,516.00	74,000
KNEC/NITA Exams And Practical Expenses	517,325.00	105,911
Student Activities	229,218.00	10,613
Office Stationery	301,812.00	258,612
Staff Welfare (Staff tea)	114,148.00	16,805
INTERVIEW EXPENSES ON RECRUITMENT	1,196,660.00	265,691
Entertainment Of Guests (Hospitality)	21,108.00	45,071
Travelling and Subsistence (Local Travel)	324,300.00	107,920
Printing and Photocopy	2,669.00	560
Tuition-Practical Training Materials	1,749,553.00	2,662,349
TUITION-PURCHASE OF TEXT BOOKS	122,400.00	1,400
KUCCPS	292,500.00	159,000
Educational Tours	198,310.00	58,150
Drama/ Music festivals	559,750.00	129,335
Examination fees (2)	921,000.00	0
Annual box rental fee and postage	7,725.00	7,725
Resource persons/Inhouse Trainings	46,880.00	0
Research-TVET Fairs and Exhibitions, Robotics Contest	97,231.00	0
Games and Sports	50,100.00	0
CDACC EXAMINATIONS	3,000.00	0
Total good and services	**11,413,011.00**	**7,816,996.00**

11. Employee Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Salaries and wages	2,417,661.00	961,140.00
Employee related costs - contributions to pensions (NSSF)	0	0
Extraneous Allowances	128,650.00	39,500.00
Employee Costs	2,546,311.00	1,045,200.00

The employee related cost (Contributions to Pensions (NSSF) is already accounted for in the amounts of Salaries and wages

12. Board/Council Expenses

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Sitting Allowance	691,157	355,869
Training Expenses	-	683,600
Other Board/Council Expenses	-	-
Total	691,157	1,039,469

13. Depreciation and Amortization expense

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property, plant and equipment	6,504,630.00	8,572,751.00
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	**6,504,630.00**	**8,572,751.00**

14. Repairs and Maintenance

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property	0	0
Equipment and machinery	0	0
Furniture and fittings	595,586.36	365,246
Total Repairs and Maintenance	595,586.36	365,246

15. **Contracted Services**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Security	776,379	539,534
General cleaning	639,405	581,402
Total contracted services	1,415,784	1,120,936

16. Finance Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Others (Bank Charges)	24,091.00	19,128
Total Finance Costs	24,091.00	19,128

17. Cash and Cash Equivalents

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Current Account	2,104,781.00	3,266,130
Others (Cash in Hand)	113,898.00	127,316.00
Total Cash and Cash Equivalents	**2,218,679.00**	**3,393,446.00**

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

Financial Institution	Account number	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		2,104,781.00	3,266,130
b) Others(*Specify*)			
Cash in Hand		113,898	127,316
Sub- Total		**113,898**	**127,316**
Grand Total		**2,218,679.00**	**3,393,446**

18. Receivables from Exchange transactions

18 (a) Current Receivables from Exchange transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Current Receivables		
Student Debtors	10,950,915	7,998,822
Less: Impairment Allowance	-	-
Total Current Receivables	10,950,915	7,998,822

18 (b) Long- term Receivables from Exchange transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Non-Current Receivables		
Student Debtors	1,109,000.00	0
Advance Payments	0	0
Public Organizations	0	0
Less: Impairment Allowance	0	0
Total	1,109,000.00	0
Current Portion Transferred To Current Receivables	0	0
Total Non-Current Receivables	1,109,000.00	**0**
Total Receivables	**12,059,915.00**	**0**

18 (c) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2024 2023/2024		FY 2022/2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	4,061,093.00	34%	3,033,639.00	38%
Between 1- 2 years	4,856,101.00	40%	2,879,575.00	36%
Between 2-3 years	2,033,721.00	16%	2,085,608.00	26%
Over 3 years	1,109,000.00	9%	0	0%
Total (a+b)	12,059,915.00	100%	7,998,822.00	100%

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
At the beginning of the year	xxx	xxx
Provisions during the year	xxx	xxx
Recovered during the year	(xxx)	(xxx)
Write offs during the year	(xxx)	(xxx)
At the end of the year	xxx	xxx

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

18. **Receivables from Non-Exchange transactions**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Current Receivables		
Capitation Grants*	0	0
Transfers from Other Govt. entities	0	0
Less: Impairment Allowance	(0)	(-)
Total Current Receivables	**0**	**0**

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

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

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

20. Inventories

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Consumable stores	50,528.00	24,680
Less: Impairment allowance	-	-
Total Inventories at lower of Cost and Net Realizable Value	**50,528.00**	**24,680**

21. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
		2.5%	25%	12.5%	30%	12.5%		
At 1July 2022 *(previous year)*	-	53,740,660	-	3,312,000	1,580,000	62,420,828	-	67,366,568
Additions	-	-	-	299,050	523,400		-	822,450
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2023 *(previous FY)*	-	53,740,660	-	3,611,050	2,103,400	62,420,828	-	121,875,938
Additions	-	-	-	1,370,343	307,400	-	-	1,677,743.00
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
At 30th June 2024 *(current year)*	-	53,740,660	-	4,981,393	2,410,800	62,420,828	-	123,553,671
Depreciation And Impairment								
At 30th June 2023 *(previous year)*	-	-	-	-	-	-	-	-
Depreciation	-	(3,930,625)	-	(1,318,462)	(525,700)	(25,830,884	-	(31,605,671)
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 Jun 2024 *(current year)*								
Depreciation	-	(1,263,980)	-	(286,573)	(380,335)	(4,573,742)	-	(6,504,630)
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-
At 30th Jun 2024 *(current year)*	-	5,194,605	-	1,605,035	906,035	30,404,626	-	38,110,301
Net Book Values								
At 30th Jun 2023 *(previous year)*	-	49,810,035	-	2,292,588	1,577,700	36,589,944	-	90,270,267
At 30th Jun 2024 *(current year)*	-	48,546,055	-	3,376,358	1,504,765	32,016,202	-	85,443,380

Note: Not included in this Asset Schedule is the value of Land for which Kamukunji Technical and Vocational College is yet to acquire title. Valuation has not been done and as such its value cannot be ascertained

Notes to the Financial Statements (Continued)

Valuation

No valuation has ever been done and the cost of land is yet to be ascertained whereas the cost of the building is assumed to be that of the value of construction.

21. (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	53,740,660	5,194,605	48,546,055
Plant And Machinery	62,420,828	30,404,626	32,016,202
Motor Vehicles including Motorcycles	0	0	0
Computers and Related Equipment	2,410,800	906,035	1,504,765
Office Equipment, Furniture, And Fittings	4,981,393	1,605,035	3,376,358
Total	**123,553,681**	**38,110,301**	**85,443,380**

The cost of the land whose title is still under the Nairobi City County cannot be ascertained since no valuation has been made.

22. Intangible Asset

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
MIS Website	1,050,000.00	1,050,000.00
	-	-
	-	-
Total IntangibleAsset	**1,050,000.00**	**1,050,000.00**

23. Trade and Other Payables

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Trade payables	454,753	1,938,708
Other Payables (Audit Fees)	200,000	-
Total Trade and Other Payables	654,753	1,938,708

Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	122,200	18%	1,406,155	73%
1-2 years	-	%	200,000	10%
2-3 years	200,000	31%	332,552	17%
Over 3 years	332,553	51%	-	-
Total (to tie to totals above)	654,753	100%	1,938,708	100%

24. Refundable Deposits from Customers/Students

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
Consumer deposits	-		-	
Caution money	544,111		520,959	
Total Deposits	544,111		520,959	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	168,000	31%	166,000	31%
1-2 years	136,000	25%	128,000	25%
2-3 years	132,000	24%	119,500	23%
Over 3 years	108,111	20%	107,459	21%
Total (to tie to totals deposits above)	544,111	100%	520,959	100%

Recognition of Retirement Benefit Asset/ Liability

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	**Kshs**
The return on defined plan assets	XXX	XXX
Actuarial gains/ losses arising from changes in demographic assumptions	XXX	XXX
Actuarial Gains/ Losses Arising From changes In Financial Assumptions	XXX	XXX
Actuarial gains and losses arising from experience adjustments	XXX	XXX
Others (*specify*)	XXX	XXX
Adjustments for restrictions on the defined benefit asset	XXX	XXX
Remeasurement of the net defined benefit liability (asset)	XXX	XXX

b) Amounts recognised in the Statement of Financial Position

Description	FY 2023/2024 Kshs	FY 2022/2023 Kshs
Present value of defined benefit obligations(a)	xxx	xxx
Fair value of plan assets(b)	(xxx)	(xxx)
Funded status(=a-b)	xxx	xxx
Restrictions on asset recognised	xxx	xxx
Others *(specify)*	xxx	xxx
Net asset or liability arising from defined benefit obligation	xxx	xxx

The entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at the rate of 6% of the gross income per employee per month subject to a maximum cap of sh. 72,000. Other than NSSF the entity does not have a defined contribution scheme Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

25. Payments received in advance.

Description	FY 2023/2024 Kshs		FY 2022/2023 Kshs	
Fees received in advance	148,952		648,717	
Total	148,952		648,717	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	86,255	58%	324,000	50%
1-2 years	62,697	42%	256,133	39%
2-3 years	-	%	68,584	11%
Over 3 years	-	%	-	%
Total	148,952	100%	648,717	100%

iii. Cash generated from operations.

Surplus for the year before tax	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Surplus/(Deficit) for the year	554,017	518,625
Adjusted for:		
Depreciation	6,504,630.00	8,572,751.00
Contributed assets	(1,677,743.00)	822,450.00
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	(24,091.00)	19,128.00
Working Capital Adjustments		
Increase in Inventory	(25,848.00)	22,740.00
Increase in Receivables	3,443,705.00	(3,033,579.00)
Increase in Deferred Income	-	-
Increase in Payables	(1,283,955.00)	1,462,095.00
Increase in Payments received in advance	(432,068.00)	707,166.00
Net Cash Flow from Operating Activities	**7,058,647.00**	**9,091,376.00**

iv. Financial Risk Management

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

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in 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 entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023 (previous year)				
Receivables from exchange transactions	7,998,822	xxx	xxx	xxx
Receivables from non-exchange transactions	0	xxx	xxx	xxx
Bank balances	3,393,446	xxx	xxx	xxx
Total	11,392,268	xxx	xxx	xxx
At 30 June 2024 (current year)				
Receivables from exchange transactions	12,059,915	xxx	xxx	xxx
Receivables from non-exchange transactions	0	xxx	xxx	xxx
Bank balances	2,218,679	xxx	xxx	xxx
Total	**14,278,594**	**xxx**	**xxx**	**xxx**

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 entity has significant concentration of credit risk on amounts due from xxxx

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023 (previous year)				
Trade Payables	-	-	1,938,708	1,938,708
Employee Benefit Obligation	-	-	-	-
Total	-	-	1,938,708	1,938,708
At 30 June 2024 (current year)				
Trade Payables		-	-	
Employee Benefit Obligation		-	-	
Total		-	-	

(iii) Market risk

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

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

The entity'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 entity's exposure to market risks or the manner in which it manages and measures the risk.

a) **Foreign currency risk**

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

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

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

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 currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	xxx	xxx
Usd	10%	xxx	xxx
20xx			
Euro	10%	xxx	xxx
Usd	10%	xxx	xxx

b) Interest rate risk

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs xxx (20XX: Kshs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs xxx (20XX – Kshs xxx)

iv) Capital Risk Management

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Revaluation Reserve	52,894,804	57,111,660
Retained Earnings	(2,129,991)	(2,561,659)
Capital Reserve		(1,655,197)
Total Funds		**52,894,804**
Total Borrowings	-	-
Less: Cash and Bank Balances	(2,668,658)	(3,393,446)
Net Debt/(Excess Cash and Cash Equivalents)	-	-
Gearing	xx%	xx%

v. **Related Party Balances**

Nature of related party relationships

Entities and other parties related to the entity 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 *Kamukunji TVC*, holding 100% of the *Kamukunji TVC's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

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

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Transactions with Related Parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others *(specify)*	-	-
Total	-	-
b) Purchases from related parties		
Purchases of electricity from kplc	327,600	249,112
Purchase of water from govt service providers	68,539.00	78,450.00
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. agencies	-	-
Others *(specify)*	-	-
Total	68,539.00	78,450.00
c) Grants /Transfers from the Government		-
Grants from National Govt	**2,000,000.00**	**2,000,000.00**
Grants from County Government	-	-
Donations in Kind	-	-
Total	**2,000,000.00**	**2,000,000.00**
d) Expenses incurred on behalf of related parties	-	-
Payments of Salaries and Wages for xx Employees		-
Payments for Goods and Services for XX	-	-
Total	-	-
e) Key Management Compensation	-	-
Directors' emoluments	-	-
Compensation to Key Management	-	-
Total	-	-

vi. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

Events After The Reporting Period

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

vii. **Ultimate And Holding Entity**

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

viii. **Currency**

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

Appendix II: Projects Implemented by (*The Entity*)

Projects

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

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

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

Appendix III- Inter-Entity Confirmation Letter

Name of transferring entity **Ministry of Education**...............................

Name of beneficiary entity **Kamukunji Technical and Vocational College...**

Confirmation of amounts received by Kamukunji Technical and Vocational College as at 30th June 2024

Reference Number	Date Disbursed	Recurrent (A)	Capitation (B)	Total (C)=(A+B)	Remarks
Funds Transfer	11.07.2023	500,000.00	-	500,000.00	Q4 FY 2022/2023
FT23275S3ZH3 /FT23275P11L1	02.10.2023	500,000.00	903,000.00	1,403,000.00	Q1 FY 2023/2024
FT24018XD8H4 / FT240185QVVW	18.01.2024	500,000.00	794,500.00	1,294,500.00	Q2 FY 2023/2024
FT24036L6PHQ /FT240362HNG2	05.02.2024	500,000.00	908,000.00	1,408,000.00	Q3 FY 2023/2024
FT24152XKVKZ	31.05.2024	-	687,000.00	687,000.00	Q4 FY 2023/2024
Total		2,000,000.00	3,292,500.00	5,292,500.00	

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

Head of Accounts Department - Disbursing Entity:

Name ...PRAXIDIS...WANDERA......... Sign .... Date ....

Head of Accounts Department - Beneficiary Entity:

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

Appendix IV: Reporting of Climate Relevant Expenditures

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

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